

dust-nrho

NEWS SUMMARY

Equities rise 15 to 515.4

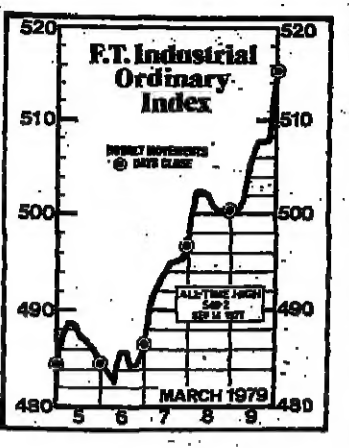
ITIES made their biggest e-day rise for 18 months today when the FT Industrial Ordinary Share Index rose to 515.4. Institutional investors forced prices higher at 3.5% but failed to entice sustained selling.

Early 8 points of the index were recorded after 3 p.m. as the Account just ended, index gained 48.4, although still nearly 34 points short of all-time high of 549.2 in March 1977.

A broader-based FT series, share indices added to record levels with the bare gaining 6.7 per cent on week to 356.23. The Government Securities Index has risen to 73.00, with foreign and domestic demand on yield conditions the main moving force.

After a strong start during the week, Glits rose easier, although by late noon longs had regained fall. Short, however, 1 off by up 1.

February 8, the change in stock markets has 1 Glits up nearly 13 per cent equities by 17 per cent. A factor behind the market is the belief that North will insulate the UK from



STERLING fell 40 points to 22.0385 and its trade weighted index eased to 64.9 (65.0). The dollar's depreciation narrowed to 8.5 per cent (8.6).

GOLD rose \$11 to \$240 in London, and in New York the Comex March settlement price was \$240.60 (\$238.80).

WALL STREET closed 1.99 down at 842.88.

SPORT hit by TV dispute

BBC dispute involving 330 e-broadcast technicians been made official and of the day will not be cast tonight.

stand will not be affected their programmes and pro- cons could soon be hit by tion which follows the dis- of a man after a fight.

Association of Broadcast- left say the riggers, drivers, camera and sound crewmen stay out until the man is ated. Page 4

Warning

ish Nationalists threatened once a "no confidence" against the Government in January before the end of month unless there was a commitment to go ahead devolution for Scotland. Page 4

Fire

Castlereagh interrogation, Belfast, according to a Security doctor inter- on ITV's Weekend id tomorrow.

Walker jailed

is Thornton, Burnley is-of-six, was jailed for ding her dachshund and two in the park in contempt. Mrs. Thornton was said have "deliberately flouted" a injunction supporting "no-dogs" by-laws.

German police chief, al Jafar Gholi Sadri, and other officers, were executed

al Jean Villot, Vatican reany of State, died aged 73.

per of Danish fishing net was fined £1,000 and had r and catch worth £2,900 ascribed for illegal fishing off land.

PRICE CHANGES YESTERDAY

rices in pence unless otherwise indicated)

IES:		Marley	83 + 8
nitage Shanks	80 + 61	Meyer (Mont. L.)	104 + 15
T Inds	360 + 27	Sainsbury (J.)	295 + 18
scham	708 + 25	Smith (W. H.) A	198 + 17
lam	79 + 5	Stanley (A. G.)	383 + 13
oth Intl	59 + 7	Stanes Discount	159 + 16
ish Sugar	175 + 15	Tarmac	390 + 24
rtion	251 + 10	Taylor Woodrow	66 + 4
wess Surgical	53 + 54	Tube Invs	388 + 18
C	385 + 19	Shell Transport	698 + 10
Y	273 + 15	De Beers Defd.	462 + 10
den Carrier	123 + 17	RTZ	310 + 14
J. Thomson	436 + 27	Union Corp.	370 + 14
yer Ullmann	60 + 6	FALLS:	
inworth Benson	112 + 7	Exchgr. 84pe 1983	6924 - 1
de Intl	231 + 22	Fairbairn Lawson	40 - 191
land Paint	123 + 9	Mowat (W.)	43 - 5
l Furniture	97 + 30	Scholes (G. H.)	291 - 19
spherson (D.)	104 + 114	Cons. Mutchison	295 - 20
icks & Spencer	103 + 5		

Sadat claims peace treaty near, but Carter is cautious

BY JUREK MARTIN AND ROGER MATTHEWS IN ALEXANDRIA

President Sadat of Egypt declared yesterday that his talks with President Carter had brought the peace negotiations to "the verge of an agreement."

Speaking to reporters on a special train carrying the two Heads of State from Cairo to Alexandria, Mr. Sadat said that while it might seem "ridiculous," the main obstacle was "only some words here or there." He added that there was complete identity of view between Mr. Carter and himself.

Mr. Carter, however, was somewhat more cautious in his comments. He emphasised that though he and Mr. Sadat had always been basically in strategic agreement, "there's really nothing to report to the Israelis yet because we are in the process of discussing specific terms on which there is disagreement still."

He added that Mr. Cyrus Vance, U.S. Secretary of State, and Mr. Mustapha Khalil, the Egyptian Prime Minister, were still discussing the "language and specifics" of the Egyptian view which Mr. Carter will carry with him to Israel tonight.

This will clearly be the most difficult part of Mr. Carter's mission. He hinted that he might need to stay in Israel for an extra day, depending on whether he put before the Israelis "either an encouraging prospect or one that will require some substantial modification."

The differences expressed by the two Presidents may partly reflect the tactics being employed in these negotiations. Mr. Sadat clearly hopes to put

the onus for concluding an agreement squarely on Israel, relying on Mr. Carter's persuasive talents when he confers with Prime Minister Begin and his Government.

Mr. Carter, on the other hand, is being careful not to convey the impression that a settlement is assured, if for no other reason than that he does not want to go to Israel just simply in the role of the advocate of the Egyptian point of view.

On the key question of autonomy for the Palestinians of the West Bank and Gaza Strip, Mr. Sadat said that the principles laid down at Camp

David last September "would defuse the explosive situation there."

Mr. Carter agreed that Camp David should serve as the basis for a settlement, but added that differences between Israel and Egypt on the future status of the West Bank and Gaza "would have to be resolved in the talks that will commence after the Israeli-Egyptian peace treaty."

But neither side has so far felt confident enough to predict that Israel will in the end accept the basic Egyptian position that a deadline should be set for either elections or establishment of a Palestinian authority.

Angry Saudis seek visit by President

BY RICHARD JOHNS IN JEDDAH

IN AN ATTEMPT to forestall a bilateral peace treaty between Egypt and Israel, the Saudi Arabian Government is believed to have asked that President Carter should visit the Kingdom before proceeding from Egypt to Jerusalem.

Mr. John West, U.S. Ambassador to Saudi Arabia, left yesterday for Cairo to pass on the invitation, and also to obtain clarification of the compromise on which Mr. Carter is trying to clinch agreement.

The American envoy was called in for urgent consultations on Wednesday by Prince Saud al Faisal, Minister of Foreign Affairs. He is said to have told Mr. West in stern terms of the gravity with which the Saudi Government regards Mr. Carter's initiative.

Neither the Kingdom nor

Transport union calls for end to ambulance action

BY PAULINE CLARK, LABOUR STAFF

THE National Union of Public Employees yesterday became the only union taking wholehearted industrial action in the health service pay dispute when the Transport and General Workers Union halted its ambulance-men's campaign.

But there will be a united union front on Tuesday when formal talks continue on demands for a better pay deal for Britain's nurses. This became clear yesterday after the Government refused to make any concessions during informal talks.

The TGWU call for its ambulance-men to return to normal working followed a final count of a ballot of its members in the service. This showed a majority in favour of accepting the latest public service workers' pay offer of

8 per cent with a comparability study, and an immediate £1 "on account."

The National Union of Public Employees was the only union to reject the same offer to hospital ancillary workers earlier this week, and is continuing the campaign for a £60 minimum wage.

The NUPE executive's resistance brought a renewed plea from Mr. David Ennals, Social Services Secretary. He said: "I ask the union's executive to think again. They must know that even within their union, this action is being questioned. Surely the Health Service has suffered enough."

The Confederation of Health Service Employees also showed a ballot result against acceptance of the ambulance-men's offer last Wednesday.

Hopes rise for China rail deal

BY LYNTON McLAIR

THE PROSPECTS for British companies of winning contracts to modernise the railway system in China were enhanced yesterday when Metro-Cammell, the Birmingham rail car builder, signed a £40m deal with the Hong Kong Government for 135 rail cars for use on the colony's rail link to the Chinese border.

The order brings to £170m the total value of rail car and bus work now under way at Metro-Cammell for Hong Kong authorities.

These include the Hong Kong Mass Transit Railway Corporation, which placed a £50m contract for 150 underground rail cars with the company last month. Orders for 210 rail cars were placed by the Corporation

in 1976 and in July last year.

The latest signing marks a significant advance by Metro-Cammell into new developments in Hong Kong, which are likely to have a direct bearing on future rail projects across the border into China.

The new rail cars will be used on the Hong Kong section of the Kowloon to Canton railway. This runs from the Hung Hom terminus at Kowloon to Lo Wu on the Chinese border, where the train services terminates.

Lo Wu on the Chinese border is 50 miles from Canton, and there are hopes that the company may eventually modernise and electrify their lines using equipment compatible with that in Hong Kong.

Hong Kong and China both use the common 25,000 Volts alternating current system.

The Hong Kong Government, which owns the Kowloon and Canton Railway Corporation, has given the go ahead for the electrification of the 20 mile line. The route will also be double tracked in response to the Hong Kong Government's plans to expand urban development away from the crowded Kowloon area.

Metro-Cammell won its latest order in Hong Kong against competition from a Japanese consortium and a European consortium which is understood to have included Siemens, Australia and Canada also bid for the work.

Cigarette packet lottery victory

BY DAVID CHURCHILL

IMPERIAL TOBACCO yesterday won an Appeal Court ruling that its "spot cash" lottery promotion for King Size cigarettes was lawful.

The Appeal Court, presided over by Lord Denning, Master of the Rolls, unanimously overturned a previous High Court ruling and declared the promotion lawful in every respect.

In addition, Lord Denning criticised the "out of hand" way in which the criminal prosecution against Imperial for allegedly contravening the 1976 Lotteries and Amusements Act had been brought by the Director of Public Prosecutions.

The Attorney General was given leave to appeal to the House of Lords. A spokesman for the Director of Public Prosecutions said last night an appeal would be considered after the full text of the Appeal Court's judgment had been studied.

Imperial Tobacco last night described the decision as a "victory for commonsense and has decided important principles as far as the commercial world is concerned." But the company would only bring back the controversial "spot cash" instant lottery after the outcome of any further appeal to the Lords was known.

Battle

The row over the "spot cash" scheme highlights the fierce battle between the major cigarette manufacturers for a share of the fast growing King Size cigarette market. Imperial's instant lottery promotion for its John Player brands was launched last autumn as an alternative to strict price-cutting.

The lottery involved the distribution of more than 280m packets of cigarettes containing cards with "windows" which, when rubbed with a coin, revealed whether a prize had been won.

John Player cigarette sales increased by some 30 per cent after the scheme was introduced and this led to Imperial's rivals, British-American Tobacco, complaining to the Attorney General that the scheme was unlawful.

The Attorney General passed the complaint to the Director

£ in New York

	Mar. 9	Previous
Spot	82.0575-0585	82.0545-0555
1 month	0.43-0.58	0.43-0.56
3 months	0.74-0.89	0.81-0.76
12 months	1.56-1.79	1.59-2.20

Triumph-Adler bought by Volkswagen

BY ADRIAN DICKS IN BONN

IN ITS first major move to diversify outside the motor industry, Volkswagen announced yesterday that it has agreed to buy control of Triumph-Adler, the West German office equipment maker, from Litton Industries, of the U.S.

The VW takeover is being achieved through an increase in nominal capital from 32M 46m to DM 80.5m (£21.3m) at Triumph-Adler, which would leave VW with 55 per cent, Litton with 19 per cent and minority shareholders with 1 per cent. The remaining 25 per cent will be taken up by Diel, the privately-owned electronics group which bought 12.8 per cent of Triumph-Adler in April last year, with an option to raise its stake to 25 per cent within three years.

No details have been given of the price VW is paying. However, based on Friday's DM 630 per DM 50 share quotation for Triumph-Werke on the Munich Stock Exchange, where a very limited volume of the share is traded, the purchase could cost the motor company as much as DM 557m (£147m).

VW has made no secret for the past two years or so of its ambition to diversify to reflect the wider range of the ever-changing nature of the motor industry. It has already expanded within the

motor industry from passenger cars to smaller trucks and vans.

With nearly DM 6bn (£1.6bn) available to invest, VW has previously negotiated inconclusively with Nixdorf, the West German computer group. Talks were broken off after Herr Heinz Nixdorf made clear that he did not wish to surrender control, but before VW had apparently shown itself willing to pay up to DM 500m for a majority.

Triumph-Adler, which has a worldwide turnover of about DM 1.2bn (£318m) has in recent years diversified from typewriter and office machinery activities into an increasingly ambitious range of electronics—a field in which it was appreciably strengthened last year by a series of agreements with Diel. Both companies are based in Nuernberg.

The group has sought to specialise in data processing and computer equipment that can cut clerical and administrative costs. Last year it won a DM 200m order from the Bundesbahn (German Federal Railways) for more than 3,500 terminals linked to its TA 1000 series as part of its planned integrated transport control system. It hopes to sell the same system to Dutch railways and other foreign customers.

Public sector borrowing should be close to target

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CENTRAL GOVERNMENT revenue and spending figures for the first 11 months of the 1978-79 financial year suggest that public sector borrowing should be close to the expected level of £80n.

There had been fears among City analysts that borrowing would be higher than forecast, but a significant excess no longer looks likely as revenue has been buoyant in the last couple of months.

Borrowing by Central Government in the 11 months to the end of February was £67.2bn. This compares with a Treasury forecast of £74.9bn for the whole year. In February, borrowing was £571m, compared with £519m a year ago.

March, however, is said to be a month of heavy borrowing—£1.35bn last year—because of a bunching of spending at the end of the financial year and occasional higher local authority borrowing. Officials warn of the need for caution on these grounds, but there are no signs

yet of such end-of-the-year pressures.

In 1977-78, central government borrowing was four-fifths of the total public sector borrowing requirement. But in the first nine months of 1978-79 central government borrowing was almost equal to that for the whole public sector.

The market expectation is that unless fiscal policy is changed in the Budget, borrowing will rise to between £80n and £100n in 1979-80, depending on the precise pay assumptions used.

The Treasury's estimate is believed to be near the upper end of this range, which suggests that budgetary action, mainly tax increases, will have to be at least £1bn to 1.5bn to reduce borrowing to the £55bn ceiling for 1979-80.

Spending on the main programmes has been rising roughly in line with the projected 15 per cent increase for the full year.

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OVERSEAS NEWS

Fed orders interest rate cut on savings certificates

BY STEWART FLEMING IN NEW YORK

FEARS ABOUT the profitability and even viability of savings institutions in some parts of the U.S. have led the banking authorities to order savings and loan associations to reduce the rate of interest they pay on \$55bn of money market certificates.

The certificates, a new financial instrument introduced only eight months ago, have been a major factor behind the recent extraordinary strength of the U.S. housing industry. Commercial banks and the savings institutions have attracted \$105bn of savings in the past year, mostly used to finance new home loans.

The high rate of interest paid on the certificates attracted investors, but now the average rate is to be reduced by around half a percentage point by forbidding the compounding of interest on the certificates.

The authorities are clearly anxious to slow the inflationary boom in the housing market and there have been some signs that

the rise in interest rate over the past year is having an effect. Prime rate has risen from 7.75 per cent to 11.75 per cent since the beginning of 1978.

There are fears however that the latest move will divert funds from the housing market pushing it into deeper recession. Significantly yesterday's decision, which involved the Federal Reserve Board, the comptroller of the currency and the Federal Home Loan Bank Board, did not include the adoption of an alternative method to help the savings industry.

The Federal Reserve could have eased its monetary policy a little and reduced interest rates across the short-term money markets. The rejection of this alternative suggests that the Fed plans to maintain a firm monetary policy, to fight inflation and support the dollar.

As part of the policy, even though the money supply has been growing sluggishly for almost six months, the Fed has

kept its target for the average federal funds interest rate at around 10 per cent.

The decision to prohibit the compounding of interest on the six-month savings certificates is based on the fact that the high rates paid are beginning to erode profits at many savings and loan associations.

The rate of interest paid on the certificates is tied to the rate on six-month Treasury bills. In addition, savings and loans can pay one-quarter of a percentage point more than banks—although this differential is now being eliminated.

Savings and loans can pay 9.865 per cent at present, and commercial banks 9.415 per cent on the six-month certificates. But in 19 U.S. states, usury laws prevent the institutions charging more than 10 per cent on home loans. The result is that profits are being squeezed when the savings institutions are unable to pass the costs of their funds on to borrowers.

S. African white miners all called out

By Quentin Peel in Johannesburg

THE ALL white Mine Workers Union (MWWU) last night called a general strike of its members at all mines in South Africa, as a direct response to the sacking of its members by the Chamber of Mines, after Mr. Fagile Botha, the Minister of Mines, refused to intervene in the dispute.

The dispute, which began on Wednesday as a sympathy strike by the 10,000 white miners working in South Africa's gold, coal, base and precious metal mines, took a turn for the worse when the gold producers' committee of the chamber decided to stop all benefits for miners who had taken part, and insisted that they sign new contracts.

Union members have tried back to work over the past few days, but the MWWU executive has now decided that its members may not go back until all benefits are reinstated. The union said last night that any members who returned to work would forfeit their union membership.

Production at the mines has not been greatly affected so far, but a long dispute would undoubtedly seriously reduce output. Meanwhile, white mine officials are expected to carry out the blasting jobs normally done by the miners.

The chamber claimed yesterday that miners were continuing to return to work, but only at a trickle, leaving only gold and platinum mines seriously affected. Union members, however, said the return was minimal, and that militancy was growing because of the employers' response.

Meanwhile, the 'Muldergate' scandal over the activities of South Africa's former Department of Information surfaced yesterday, when Dr. Eschel Rhoodie, former head of the department broke his silence.

He told the Rand Daily Mail that Mr. Owen Horwood, the Finance Minister, had known about his secret projects for three years before they were revealed to Parliament last December. He said Mr. Horwood, with Mr. John Vorster, the former Prime Minister, and Dr. P. W. Botha, the current Prime Minister, had been involved.

Mr. Botha has promised to resign if it is proved that any member of his Cabinet knew about the information on projects for the import of gas and oil from the Persian Gulf, which was leaked by a Government inquiry.

Dr. Kurt Waldheim, the UN Secretary-General, yesterday denied as a "misinterpretation" the suggestion made by Mr. P. W. Botha that the UN was prepared to allow armed SWAPO guerrillas to occupy newly created bases in Namibia after a ceasefire, our UN correspondent reports.

Black Jobs, Page 6

WAR IN THE YEMEN

U.S. determination under fire

BY MICHAEL TINGAY IN SANAA

SANAA, THE mountain capital of North Yemen, has become the scene of intense diplomatic activity to end the border war with South Yemen. The conflict in the south-west corner of Arabia has become a major test of U.S. determination to protect its allies against what is seen here as Soviet-backed aggression.

Representatives of the Arab League ceasefire supervision committee arrived yesterday. Meanwhile the North Yemen Government is trying to evaluate reports from Arab sources that thousands of Cuban troops have been airlifted from Ethiopia to South Yemen to assist in the fighting. It sees the sending of a U.S. naval force to the Indian Ocean as a step to protect the Red Sea as well as the Gulf.

The war is officially said here to have begun on February 20 when a North Yemeni rebel group, the National Democratic Front, powerfully backed by

South Yemeni troops, took control of two North Yemeni border towns. The fighting was aimed at bringing down the North Yemeni regime of President Ali Abdullah Saleh and his pro-Saudi Arabian regime.

Fighting spread as North Yemeni troops fell back under accurate rocket and artillery fire. Diplomats here say that South Yemeni T54 and T62 tanks crossed the border. The use of South Yemeni BM 21 and BM 14 mobile rocket launchers and fragmentation shells fired from long range was particularly effective.

A ceasefire and withdrawal of forces worked out last week and endorsed by the Arab League in Kuwait failed to take hold and earlier this week, it is reported here, NDF and South Yemeni forces were given air cover by MIG 21s as North Yemeni regular troops tried to push back down the valleys to the border.

President Saleh yesterday drew secretly to Jordan, Syria, and

Iraq to consult the leaders of those States, and has successfully aroused the concern of a bitterly divided Arab world.



while Saudi Arabia has communicated its concern to the U.S. Saudi Arabia is reported here to be flying in arms and ammunition to reinforce the North Yemeni army.

The Arab League ceasefire committee has now to decide when to send observers to the border area. The Foreign Ministers of Kuwait, Syria, Iraq, the UAE, and Algeria are to represent at a meeting here tomorrow. Yesterday North Yemen's Information Minister, Mr. Fawaz Basindwah, said that Yemen wanted the conflict settled in an Arab context, opposed the internationalization of the conflict.

Few people here believe the ceasefire committee will bring peace to the region. If the South Yemeni troops draw, the North Yemeni will attempt to rout the North Yemeni troops from the east of Sanaa, quoted Basindwah, said that Yemeni troops were next week push south to a "held border town of Hadramout". Diplomatic analysts say North Yemeni push is possible but expect it to take place in Qataba and Bayda where a revolt began.

Killing returns to Basque region

BY ROBERT GRAHAM IN MADRID

GUNMEN, believed to be members of ETA, the militant Basque separatist movement yesterday, killed the municipal police chief of Basque near San Sebastian. It was the first killing in the Basque country since last week's general election.

The return of violence to the Basque country comes at a moment when politicians are assessing the future of the region in the light of the election result. The result confirmed the strong groundswell of support—evident in the December constitutional referendum—for radical parties favouring separatist solutions.

The difficulties in now negotiating a Basque autonomy yesterday by statements from a newly elected deputy of the radical nationalist coalition, Herri Batasuna (HB).

In a newspaper interview, Sr. Francisco Letamendia, made it

clear that HB totally rejected both the existing Basque autonomy statute now in draft and the national constitution's provisions regarding regional autonomy. He said that HB statute provided no basis for

Hundreds of extreme Rightists burned Basque flags and chanted anti-Government slogans after a funeral Mass in Madrid last night for Gen. Agustin Muñoz Vazquez, shot dead on Monday by guerrillas of the Leftist organisation GRAPO. The demonstrators, mostly members of the New Force Party, gave the Fascist salute and sang the Falangist anthem "Face to the Sun."

negotiation and insisted that such ideas as contained in the draft for the future of the region had been rejected by voters.

In the general election HB

obtained 170,000 votes, enough to elect three deputies to the Lower House, while another radical grouping supporting separatist aims, Euzkadiko Ezkerra, obtained 89,000 votes and one deputy. In the province of Guipuzcoa their combined vote amounted to almost 30 per cent.

Sr. Letamendia, who resigned from the previous Parliament, because he said it served no purpose for the Basques, told the paper that HB had no intention for the moment of taking up its three seats. One of the other two deputies is currently in jail on charges of alleged support for terrorism. This week he declined bail.

Sr. Letamendia, when asked about HB's links with ETA, said: "Both short-term and strategically there are points of common identity between HB and ETA. We differ where we prefer to pursue our own objectives purely peacefully."

Sweden plans 12 nuclear plants

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDEN WILL complete and operate 12 nuclear power stations, if the Riksdag (Parliament) approves the Energy Bill presented yesterday by the Liberal minority Government.

The Liberals can count on support from the Social Democrats and Moderates (Conservatives) to provide a broad majority. The Centre Party, whose anti-nuclear line led to the collapse last October of the non-socialist coalition headed by its leader, Mr. Thorbjörn Fälldin, is maintaining its opposition to the building of the 11th and 12th reactors.

Together with the Communists, the Centre Party is calling for a national referendum on this issue and on the closing down of the existing nuclear power stations.

The Liberals' Energy Bill will also put a stop to the Centre Party's plans to import natural gas to Sweden. The gas project is discarded as being too expensive and not adding significantly to security of energy supplies.

The previous government had negotiated provisional contracts with Ruhrgas AG and Algeria for the import of gas and had planned a distribution network in southern and western Sweden.

The Bill aims at reducing Sweden's dependence on oil imports in the longer term and opens the way for increased use of coal, solar energy, peat and biomass sources. The attempt to diversify energy sources will be complemented by an intensified energy saving campaign.

Mr. Carl Tham, the Energy Minister, calculates that consumption of energy will increase by 0.4 to 1.2 per cent a year on average during the period up to 1990. This is a substantially lower rate of increase than that forecast in the 1975 energy programme, when the Riksdag decided to build 13 nuclear reactors.

Demand for electricity will grow at a faster rate and will be met by a limited exploitation of the remaining hydro-power resources and by the nuclear reactors. The use of coal is planned to rise from about 2m tonnes a year at present to between 6m and 9m a year and to replace a considerable amount of the heavy fuel oil now used.

Smith hint of continuing in politics

By Our Foreign Staff

SALISBURY — Mr. Ian Smith, the Rhodesian Prime Minister, hinted yesterday that he is planning to continue an active role in his country's politics and to stand for a seat in its new Parliament.

Asked in an interview with the BBC whether he would be a candidate for a white seat in next month's one man-one vote elections he said: "Unless something dramatic happens that changes the situation and which indicates to me that the U.S. and British Administrations are going to honour their obligations, it looks to me that in the way things are going—I would hope otherwise."

He made it clear that he believed Britain and America were obliged to recognise the new Rhodesian Government emerging from the April poll, as he said, he had granted the principle of black rule they had long demanded.

Japan's real GNP grows 1.7 % in last quarter

BY RICHARD HANSON IN TOKYO

JAPAN'S REAL Gross National Product expanded 1.7 per cent in the October-December quarter, the best since early 1978 but still somewhat disappointing because of poor performance in the external sector.

The preliminary figures, released by the Economic Planning Agency, indicate that GNP growth for fiscal 1978 ending March 31 will be around 5.7 per cent at best, or slightly below the Government's revised estimate of 6 per cent.

The EPA revised downward its estimate for July-September quarterly growth to 0.8 per cent from an earlier announced 1 per cent. In April-June growth was 1 per cent and in January-March 2.3 per cent.

The latest quarterly results show the economy running at an annual pace of ¥113.34bn (£233bn) after being adjusted for inflation, the annual rate of growth in the latest quarter was 7 per cent, compared with 3.2 per cent in the prior quarter. For the calendar year of 1978 real growth was up 5.6 per cent

compared with 5.4 per cent in 1977.

The external sector proved to be a drag on the economy showing a 1.4 per cent growth, while total domestic demand expanded at 3.2 per cent, which translates into a healthy annual rate of nearly 13 per cent boosted by emergency government programmes.

Despite the latest figures, the Japanese Government will not change its official growth targets for the year. This is mostly because of bureaucratic habit which discourages flexibility no matter how embarrassing it might be for an economic minister to officially stick to the forecast.

In order to achieve 6 per cent growth for this year, the economy would have to expand at the torrid pace of 3.9 per cent from January-March. The growth rate is more likely to be around 2 per cent, boosted by seasonal patterns of fixed capital spending by electric utilities.

Turks re-draft rescue plan

ANKARA — Mr. Bulent Ecevit, Turkey's Premier, will next week announce a re-drafted "economic rescue programme" concentrating on bringing in foreign currency, after Turkey's failure to obtain urgently needed cash aid from the West, government officials said.

Mr. Ecevit decided to re-draft the austerity programme after abortive visits to Paris and Bonn by Mr. Ziya Muezzinoglu, the Finance Minister.

The revised programme will rely on using Turkey's own resources.

Reuter.

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WORLD MONEY ANALYST

FT 10



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Robbers to handle unit trusts

BY TIM DICKSON

THE STOCK Exchange announced yesterday that jobbers will be authorised to deal in unit trusts. One of the immediate consequences is to be "bed and breakfasting" before April 5 easier to arrange. "Bed and breakfasting" describes selling and buying shares the same day to establish a financial loss or gain for tax purposes.

After requests from members, the Stock Exchange has amended its previous ruling permitting dealing units only between a broker and unit trust management. Under the new arrangement, unit trusts may apply to the Stock Exchange's Quotations Department though it is understood that it will be merely a formality.

U.S. may scrap air pact with Britain

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.S. should be prepared to scrap the Bermuda Two air agreement with the UK if the latter does not show a more flexible attitude over cheap fares and additional routes for U.S. airlines, recommends a leading official of America's Civil Aeronautics Board.

An internal memorandum by Mr. Michael Levine, director of pricing policy for the board, which governs U.S. aviation policies, says that the U.S. should "consider very seriously" ending the Bermuda Two pact, signed in June 1977.

between the two countries, the number of airlines and the prices they can charge. The memorandum suggests that the UK has been unnecessarily stubborn over permitting new routes for U.S. airlines on the North Atlantic and in allowing ultra-cheap fares.

The U.S. on the other hand, has successfully negotiated several new agreements with other European countries such as West Germany that permit virtually "open skies" on fares and routes.

Mr. Levine's view is that these agreements may serve to force the UK to be more liberal in its own policies, to protect its major Atlantic gateway, London.

Ending the Bermuda Two agreement should be considered, in Mr. Levine's opinion, especially if the new direct flights between U.S. cities and the Continent attract enough passengers to compete with flights to London.

Among areas of U.S. dissatisfaction with the Bermuda Two pact is the question of the number of U.S. cities which can be "dual-designated"—flown by two airlines, one from each country.

Under the pact, the UK insists on only two such cities, New York and Los Angeles, but the U.S. wants Boston added to the list. This the UK has so far rejected.

Electric rail study findings due in summer

By Paul Taylor

THE RESULTS of a Government and British Rail study on railway electrification should be known by the summer. Sir Peter Parker, chairman of British Rail, said yesterday.

Sir Peter told members of the Chartered Institute of Transport in Leeds, that the results of the first stage of the study should be available later this month. The final report was due in late summer.

A computer has been used in the first stage of the study to evaluate the working costs of four alternative electrification schemes. These range from an extra 900 route miles to the electrification of nearly 4,000 more route miles.

At present, Britain has some 2,200 route miles of electrified railway, excluding the London Underground.

Sir Peter expected this stage of the study to reinforce British Rail's case that electrical trains can provide a core for the UK transport system in the "energy expensive future."

It was essential that main rail routes were electrified before the end of the century to avoid the threat of rising oil prices.

Sir Peter also said British Rail would be researching further its plan for a £650m rail tunnel link with Europe.

London heavy lorry ban 'would add to haulage costs'

BY LYNTON MCLEIN

A BAN on heavy lorries in London would add £150m a year to haulage costs, and would increase traffic on some roads by a quarter, the Greater London Council has been told by its planning committee.

Many companies would move out of the capital if lorries over 16 tons were banned, the committee said in a report to be considered by the council in the next two weeks.

The M25 ring motorway round London would become the boundary for siting transfer depots. This would encourage companies to move their entire operations out of the centre, and would mean a serious loss of jobs.

Consequences

The council asked the committee in November to report on the likely economic, environmental and financial consequences of a ban on long and heavy lorries.

The committee was asked to consider the effect of bans in inner London, in the area between the North and South Circular roads, and in all of Greater London.

The council is considering bans in parts of London, but the

report said these could not be repeated throughout the capital.

A ban between the North and South Circular roads would create a demand for over 250 acres of land for distribution depots. There would also be 1,700 more lorries a day, a quarter more than normal on the North Circular.

The report also considered a change to smaller lorries, but concluded that this would raise the number of vehicles, accidents, fumes and road wear, and would fail to cut noise.

Miss Shelagh Roberts, chairman of the planning and communications policy committee, said the report showed that most large-scale lorry bans are not practical in London.

Britain has an economy based almost entirely on the lorry, Mr. John Silbermann, national chairman of the Road Haulage Association, said yesterday.

The road haulage strike had brought home a realisation of the importance of the lorry.

The impact of the strike, however, had been weakened by the Transport and General Workers Union's failure to bring out more than one in four of Britain's lorry drivers.

Chemicals sales fall by £11m at Shell

By Sue Cameron, Chemicals Correspondent

SALES by Shell Chemicals UK fell to £320m last year, £11m below 1977.

The company said yesterday that it lost between £13m and £15m in 1978. It had predicted losses of this order at the end of last year.

Mr. George Howd, marketing director, said the company was currently catching up on sales lost during the road haulage strike in January.

It was still too early to assess the full effects of the strike, but Mr. Howd said that had weather may have prevented European competitors from picking up some of Shell Chemicals' business—both at home and abroad—because they would have been "unable to step up deliveries at the right time."

Mr. Howd said the company would be holding "top-level discussions over the next few weeks" to consider ways of equipping itself to deal more effectively with any similar strikes in the future.

The figures came a day after the Royal Dutch/Shell Group reported that its 1978 net income was 21 per cent down on the previous year at £1.09bn against £1.38bn.

Civil Service race report a surprise for Whitehall

SURPRISE WAS expressed in Whitehall yesterday after a Runnymede Trust report suggesting that the charity had found evidence of "potentially massive discrimination" against black applicants for Civil Service jobs.

Senior civil servants see the report as a bid to pre-empt the findings of a joint Civil Service Department and union working party which is studying the best way to monitor race matters in the Civil Service.

That committee was set up after a report last November on alternative monitoring systems prepared for the department by the Tavistock Institute of Human Relations.

That report suggested that there could be a "potential hazard" of discrimination, and

detailed situations in which this might occur.

The Tavistock report, on which the Runnymede claims were based, was not concerned to identify specific cases of discrimination: its purpose was to "examine procedures such as recruitment, postings, training and promotion to discover whether there is any way in which they could operate to the disadvantage of racial minorities."

The Civil Service is concerned to maintain its reputation for having a strict policy of non-discrimination.

As a result the joint working party, chaired by the department, has called for a number of papers on subjects such as promotion and recruitment some of which are understood to have already been presented.

Rugby Portland Cement allowed price increase

By Our Consumer Affairs Correspondent

RUGBY PORTLAND CEMENT has been allowed a second interim price increase although a Price Commission investigation into the rises is not due to be completed until early next month.

The Commission said yesterday it had allowed the company a second increase by a further 2.21 per cent, bringing the total rises allowed to 10.9 per cent which was the original figure sought by Rugby Portland.

Falmouth made special area for development

FALMOUTH was yesterday named a special development area after the decision to close the British Shipbuilders yard there, where more than 1,200 are employed. The town is already a development area and the change will increase from 20 per cent to 22 per cent the rate of its regional development grants.

£1.8m tunnel lighting plan

PLANS FOR a £1.8m ventilation and lighting system for the Rotherhithe Tunnel under the Thames—used by more than 17,000 vehicles a day—have been agreed by the Greater London Council's planning and communications policy committee. The scheme is subject to approval by the finance and establishment committee.

Much of the existing plant is nearly 50 years old and in many cases spare parts are unobtainable, says the GLC.

Its removal and replacement will mean the tunnel closure for about seven months from the middle of next year. This, the GLC says, is timed to coincide with road improvements at the tunnel's southern approach.

The Pru warns of under-insurance

BY ERIC SHORT

THE 21M HOUSEHOLDERS insured with Prudential Assurance must either keep their sums insured up to date or risk any future claims not being paid in full.

That warning about under-insurance is given in a new leaflet issued by the Pru, one of Britain's five biggest domestic insurance companies, which explains the introduction of index-linking of cover and premiums for household insurance.

UK insurance companies have been losing on their UK household accounts partly because policyholders have not kept their sums insured up to date to allow for the effects of inflation. In particular, the Pru

has made losses on its account since 1975.

Now it is making it possible for policyholders to link the sums insured on both the buildings and the contents to an appropriate index, following similar moves by most other insurance companies.

Each month, the sum insured for buildings is automatically lifted by the movement in the Building Housing Cost Index calculated by the Royal Institution of Chartered Surveyors and for contents by the durable household goods section of the Retail Price Index. Premiums would be adjusted annually on the same indices.

The leaflet says the linking will keep sums insured up to date provided the initial sum

insured represents the worth of the buildings and household goods.

As an incentive for policyholders to take action, the company is increasing sums insured to policyholders on receipt of the leaflet without any additional cost. The amount of increase depends on the length of time since sums insured were last raised. For periods of five years or more the increase is 75 per cent.

The leaflet tells policyholders they are not compelled to index link but it warns them that policies not index-linked will be subject to an under-insurance clause from the next renewal date. The effect of that is to scale down the amount

paid on a claim in proportion to the degree of under-insurance.

Index-linking starts on July 1, 1979 and policyholders who renew in July are being sent the leaflet now. Thereafter the leaflets will be sent out as successive monthly renewals fall due. Since most premiums are collected by agents, many policyholders will have the implications explained personally to them.

Unlike some other companies, the Pru has no immediate plans to increase premium rates for contents insurance. But since its rates for central London are among the lowest on the market, such revisions cannot be long deferred.

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Marley Homecare: top of the ladder in D.I.Y. retailing.

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Marley Homecare: leaders in D.I.Y. retailing
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Leadership in D.I.Y.
Sevenoaks, Kent.

UK NEWS

£3m boost for hill farmers

BY CHRISTOPHER PARKES

INCOMES OF hill sheep farmers have been given a £3m boost by the Ministry of Agriculture.

Because of losses during the winter and general economic depression in the marginal regions which supply most of the lambs for fattening in the lowlands, the Government has added 50p to the subsidy paid on breeding ewes.

For this year only, the subsidy is raised to £4.10, the Ministry said.

The main beneficiaries are the upland farmers of Wales, Scotland and the North of England.

The severe winter has forced many of them to spend more than usual on feed. Some Welsh producers, for example, recently appealed for help towards the cost of flying flocks to sheep isolated on the hills.

Meanwhile, Mr. Hugh Brown, Scottish Office Under-Secretary responsible for agriculture, has told farmers that the apparent decline in incomes last year was not as severe as some commentators had suggested.

The Government's annual review of agriculture showed that Scottish farm earnings fell by 33 per cent last year.

Mr. Brown, however, told a Scottish National Farmers' Union meeting that much of the decline was due to commodity prices—particularly for potatoes—settling back to normal.

In London, yesterday, the Ministry of Agriculture announced another case of swine vesicular disease—the fifth confirmed since the disease was officially reported to be under control.

Strategy taken up abroad, says Minister

By Maurice Samuelson

THE GOVERNMENT'S industrial strategy was arousing the interest of other countries, and Canada and Australia were already adopting similar mechanisms, Mr. Alan Williams, the Industry Minister, said yesterday.

In rejecting a "grandiose national plan" with unrealistic targets, the Government had recognised that management and unions could improve the UK's industrial performance.

Certificates of tax deposit

Financial Times Reporter

THE RATE of interest on certificates of tax deposit is being reduced from 13 to 12½ per cent from Monday. The certificates are available to all UK taxpayers, and carry interest for two years at the rate applicable on the date of purchase.

Shore to clarify sales of council houses

BY PAUL TAYLOR

MR. PETER SHORE, Environment Secretary, is to meet leaders of local authority associations on Monday to clarify the question of council house sales.

The meeting, which was arranged at the request of the associations, comes after Mr. Shore's recent Commons statement restricting council house sales. His remarks have caused anger and some confusion among Conservative-controlled associations and have started a public argument between Mr. Shore and Mr. Horace Cutler, Tory leader of the Greater London Council.

Mr. Cutler claims that Mr. Shore's statement effectively prevents the council's so-called "majority" of home-owning houses from falling under the sales restriction because they have not been subject to Government housing grants, or because they fall into other excluded categories.

However, that has been strongly denied by Mr. Shore who said that the "great majority" of home-owning houses did not fall under the sales restriction because they have not been subject to Government housing grants, or because they fall into other excluded categories.

The argument is now over figures since Mr. Cutler maintains that almost 70 per cent of houses sold, or proceeding towards sale, do fall into the restricted category and up to 90 per cent of the 1,000 house sales the council wishes to make under the scheme by 1980 would also be stopped.

Confusion arises because the council's schemes covers three

sorts of properties: those from housing stock, those initially bought for some purpose other than housing—highway improvement for example—and those bought by the council specifically for the scheme. The last two categories are not covered by the sales restriction but it remains unclear how many houses fall into those two categories.

While Mr. Shore stopped short in his criticism of Mr. Cutler for initially suspending the home-owning scheme the Labour Group on the council has described the move as a "cheap electioneering stunt."

Mr. Cutler announced yesterday that he was taking Mr. Shore's remarks as an invitation to continuing the home-owning scheme and accused him of misunderstanding the scheme and the numbers of houses affected by the sales restriction.

Another difficulty for the council is the slower than expected uptake of the scheme. Only 136 sales have been completed and 360 more are in progress.

The Association of Metropolitan Authorities yesterday joined the argument. Mr. A. G. Taylor, association chairman, said the sales restriction was "wrong in principle and ill-conceived in detail."

The association claimed the restriction had been thought out too quickly and the proposals would restrict local authority freedom and cause hardship to potential council house purchasers.

The meeting on Monday is expected to discuss these criticisms together with Mr. Shore's offer to the GLC that individual requests for exceptions to the sales restrictions would be considered.

Building societies hold rates as savings rise

BY EAMONN FINGLETON

THE BUILDING Societies' Association council decided yesterday, as expected, not to change interest rates.

At a meeting in London, the council was told that the movement's net savings receipts had recently picked up sharply.

The movement had feared a month ago that an increase in

interest rates might be needed at yesterday's meeting but the big falls in City interest rates in the last few weeks have relieved the pressure.

The association is expected to announce soon that in February the movement's net receipts were between £20m and £24m—rather more than had been feared.

Record results for John Lewis

By David Churchill, Consumer Affairs Correspondent

RECORD financial results in its 50th trading year were reported by the John Lewis Partnership retail stores group yesterday, with sales up by more than a fifth and profits up by almost a third.

Sales in the group's 17 department stores and 67 Waitrose supermarkets and other shops totalled £532.6m in the year ended January 27, a rise of 22 per cent on the previous 12 months. Trading profit was up 23 per cent to £42.5m.

The profits growth means that the group's 24,000 employees—or "worker-partners"—will share a record £13.3m. This means a cash bonus of about 24 per cent of each individual's annual pay. In the previous year, staff received an 18 per cent bonus.

Mr. Peter Lewis, the group's chairman, said yesterday that the result "marks a genuine increase in business performance." There had been very little increase in selling area—with only three new supermarkets opened—and hardly any rise in gross profit margins.

Exceptional

Mr. Lewis called it "a happy chance that such a combination of circumstances should have brought this higher productivity and exceptional level of partnership bonus in the 50th year of the partnership's formal existence."

But he warned that there would be a fairly massive increase in costs across the board this year and that profit could not be expected to match the 1978 level. "We should do well to get used to the idea that something like a 15 per cent partnership bonus would be a good achievement next year."

Of the present year's profits, Mr. Lewis said that £15m had been retained within the group. Of this, £4.5m would be used to combat the effects of inflation on working capital and depreciation, and the remaining £10.5m would be used for development and expansion.

UK airline to buy jets for £16m

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS yesterday signed a contract with British Aerospace for three One-Eleven short-haul jet airliners, worth about £16m including spares.

The cost of the deal will be offset by BA's resale of two of its earlier Series 400 One-Elevens to British Aerospace. These will be refurbished by the manufacturer and sold elsewhere.

British Airways will use the new One-Elevens on its domestic routes between Gatwick and Birmingham, Manchester and European airports.

Last year, British Airways announced plans to buy 18 U.S. Boeing 737s and 28 Boeing 757s, but also said that it would buy three and six One-Elevens. The latest order fulfils that pledge.

The UK aircraft are smaller than the U.S. jets, and seat up to 99 passengers.

Government aid for troubled Ulster bakery

By Our Belfast Correspondent

PETER PAN Bakeries, the troubled Ulster bread producer, is to receive £50,000 aid from the Government to give it time in which to produce a long-term plan for viability.

The aid, in the form of temporary employment subsidy, was announced yesterday by Mr. Don Concannon, the Ulster Industry Minister. He wanted a final decision on the company's future within four weeks.

About 500 jobs in West Belfast and Londonderry are threatened because of the company's financial troubles.

Mr. Concannon said it would be difficult to find a solution which could maintain the company at its present size. He urged the management and unions to find a way to save some of the jobs.

Gormley repeats his intention to give up office this year

BY CHRISTIAN TYLER, LABOUR EDITOR

MR. JOE GORMLEY repeated last night that he intends to retire early and give up the presidency of the National Union of Mineworkers by the end of this year.

However, some of his close supporters, such as Mr. Len Clarke of Nottinghamshire, the veteran leader of the moderate majority on the union's executive, still doubted yesterday that Mr. Gormley would leave without an obvious successor among the "moderates," Mr. Clarke retires this year.

Mr. Gormley said last night on his return from Brussels: "Of course I mean it this time. I would hope to finalise my retirement by September so that I can finish at the end of the year."

"Then what I wanted is a leader who is willing to accept the realities of the job. That is the important thing."

The two obvious candidates

are Left-wingers: Mr. Mick McGahey, vice-president and president of the Scottish area, who is also chairman of the Communist Party of Great Britain; and Mr. Arthur Scargill, militant president of the Yorkshire area.

The common view is that Mr. McGahey's experience would make him the victor in a two-man race, and at one time Mr. Gormley considered giving Mr. McGahey his chance in order to head off Mr. Scargill.

However, Mr. Clarke said: "any responsible moderate would win against both of them." The drawback was time for someone to emerge.

Mr. Gormley told his national executive on Thursday that he was exasperated with the political infighting and did not want to go through another battle about the wage claim.

BBC technicians' strike made official

BY PHILIP BASSETT, LABOUR STAFF

A STRIKE by 350 BBC Television technicians has been made official by the Association of Broadcasting Staff.

The move will almost certainly hit outside broadcasts and could mean the loss of today's Match of the Day. The technicians went on strike in support of a colleague dismissed after an incident with a senior BBC transport manager. The union said the technicians would stay out until the man was reinstated.

A BBC technician was charged yesterday with assaulting the transport officer and was bailed to appear before Acton magistrates, in London, on April 24.

Action by the technicians, who drive and set up outside broadcasting equipment, has already blacked out one programme due to be transmitted live on Thursday evening from the Royal Albert Hall in London.

The most likely programmes to be affected today are Match of the Day and racing from Cheltenham, though much of the rest of BBC's sports programme has already been recorded.

Mr. Cliff Morgan, head of outside broadcasts, said yesterday that though it was too early to say what contingency plans would be made if the dispute continued, work could be in progress very quickly if there was an early settlement.

The technicians, who are attached to the Ealing branch of the union, went on strike after one of them was sacked after an incident in which a senior BBC officer alleged he was pushed down a flight of stairs.

Work-to-rule shuts Grundig's Belfast plant

BY OUR BELFAST CORRESPONDENT

GRUNDIG, the West German electronics group, last night laid off all 750 production workers at its Belfast factory because of a month-long work-to-rule by quality checkers.

The company said the factory had been closed indefinitely and it was not known when or if it would reopen.

Grundig's decision to stop production of radio-recorders was taken because goods worth almost £2m have been stockpiled at its factory at Dunmurry, on the outskirts of Belfast.

It was announced while talks were continuing between union officials and the Labour Relations Agency in Belfast in an attempt to settle the dispute over pay differentials. About 65 electricians and engineers are involved.

The hold-up in Belfast is understood to have led to short-time working in some of Grundig's German factories and the decision to close is thought to have been taken by the management in Germany, which is unhappy about the plant's poor record of industrial relations.

The Labour Relations Agency offered to conciliate on Wednesday, after the firm threatened to cease production and insisted that there was a danger of the factory closing altogether. Management and unions met on Wednesday and Thursday but yesterday the company representatives withdrew to allow further consultations between the engineering and electronics unions and the agency.

Pay parity dispute affecting 4,000 British Transport Docks Board manual workers intensified yesterday.

One-day strikes affected ports in many areas and the Board said there were threats of further action by some staff if the issue remains unresolved.

Trouble has been brewing in the Board's ports since the beginning of the Government's pay policy to 1974 when maintenance engineers and other staff were affected by the cut-off point for wage increases. As a result an agreement in principle to give parity with other dock workers was never implemented.

The manual workers' longstanding fight for parity with registered dockers has focused especially on Southampton where maintenance engineers went on strike over the issue early last year.

The strike ended with an agreement in principle to correct the anomaly which has been delayed pending approval from the Department of Employment.

Process men back Times formula

By Pauline Clark, Labour Staff

ADDED SUPPORT for the formula proposed by the newspaper for resuming talks with print unions came from SLADE, which represents photographic process workers yesterday.

The talks concern the dispute that has led to the suspension of The Times, The Sunday Times and the three supplements for more than three months.

The formula was adopted by the National Graphical Association and the National Society of Operative Printers, Graphic and Media Personnel on Thursday. The executive of the Society of Graphical and Allied Trades is expected to follow suit next week.

SLADE (the Society of the Graphic Artists, Designers and Process Workers) has more than 60 members employed by The Times and 400 who help print The Sunday Times and magazine at Watford.

Unions

Altogether, more than 2,000 members of the four unions were given dismissal notices on December 15. The unions refused to negotiate with The Times until the members were reinstated.

In a plan worked out on the initiative of Mr. Albert Booth, Employment Secretary, on Wednesday night, proposals were made to re-employ dismissed staff until April 17, when management hopes to publish the new formula.

Agreement on the formula means that negotiations between the two sides can continue in earnest on a new dispute procedure, new technology and future manning levels.

Mr. William Rees-Mogg, editor of The Times, promised readers yesterday that the paper would have its familiar look when it resumed publication, but also, however, talked of a new look Times in the longer term.

He gave a warning that long talks with the unions were still in prospect before printing was resumed.

Investigate tax 'amnesty' MPs urged

By Philip Rawstone

A COMMONS committee should investigate reports that Fleet Street casual workers had been offered a tax amnesty, Mr. John Nott, Tory spokesman on trade, said last night.

The committee should examine Ministers and the chairman of the Inland Revenue about the issue, he said in Newcastle.

"It looks like a pathetic club down to the anarchy of Fleet Street," Mr. Nott said.

"It has been the regular practice of the Inland Revenue to keep its books open on tax evasion cases for up to 10 years or more."

News Analysis: Sotheby's and Christie's face long legal battle

Salerooms' premium challenged

BY ANTHONY THORNCROFT

AFTER A PERIOD of unprecedented prosperity, when turnover and profits both rose to record heights, Sotheby's, Christie's, and Bernet and Christie's, which between them account for about 70 per cent of UK saleroom turnover, face a double challenge.

The Office of Fair Trading this week gave them a month to provide documentation to show that the 10 per cent buyers' premium they both introduced in the autumn of 1975 was not a restrictive practice, and two dealers' associations have received legal advice which suggests that the premium was agreed between the salerooms and is therefore illegal under the Restrictive Practices Act. The associations seem prepared to take Sotheby's and Christie's to court if they do not withdraw the premium.

Sotheby's and Christie's, announced the premium within two days of each other, in the summer of 1975. Their justification was that the recession of 1974 in the antiques market had made them financially vulnerable. Instead of charging the vendor on a sliding scale up to a maximum of 15 per cent of the sale price, the buyer was asked to pay 10 per cent on the hammer price while the seller had his commission reduced to 10 per cent. The dealers, by far the main purchasers in the salerooms, were furious and there were walkouts and some shunning of sales. But within a few weeks the dominant position of Sotheby's and Christie's forced



Mr. Peter Wilson, chairman of Sotheby's: Profits up 44 per cent

the dealers back and the grumbles seemed to peter out.

The appearance of the buyers' premium, and the raising of the salerooms' commission to 20 per cent—10 per cent from the vendor, 10 per cent from the purchaser—had an immediate effect on profitability, coinciding as it did with a boom in the antiques market. In its last financial year, its first as a public company,

Sotheby's increased profits by 44 per cent to more than £7m on a turnover of £161m while Christie's has doubled its profits since the introduction of the premium.

That prosperity, combined with the trend for more and more of the business in antiques to pass through the salerooms rather than dealers, infuriated the trade but left it helpless.

Then the Customs and Excise decided that, from January 1, 1979, the premium should not be regarded as part of the selling price but as a commission for the service to the buyer and therefore subject to Value Added Tax. Immediately the dealers began to ask what service they were receiving from the auction houses, whose energies seemed to be directed at getting the best possible price for vendors. Encouraged by the ruling on VAT, which raised the buyer's premium to 10.8 per cent, two trade bodies, the British Antique Dealers' Association and the Society of London Art Dealers, took legal advice and were advised that the premium was unlawful because it was not registered under the Restrictive Practices Act.

At the moment Sotheby's and Christie's seem prepared to fight in defence of the buyers' premium which, they say, is essential for their livelihood. They point to the advantages, both for the nation and for the antiques trade, in maintaining London as the centre of the international art market. In effect they are saying that anything which could weaken Sotheby's and Christie's weakens the British art world. In addition, they point out, Continental salerooms charge a buyer's premium as do the Sotheby's and Christie's subsidiaries in the other great centres, New York. Without the premium, the salerooms argue, their service in terms of expertise would suffer.

BE ON TIME WITH THE SPEAKING CLOCK



UNIT TRUST AND INSURANCE OFFERS

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THE WEEK IN THE MARKETS

Sun-drenched stockmarkets

Pro men Time form

ie stockmarket has spent her week basking in the sun although it would not be rising if it began to peel. There are no imminent signs of sunstroke. The All-Share Index has gone through record high levels last week, and the FT 30-Share Index, despite disappointing news from another two companies, has now come from below 450 to over 500 in less than four weeks.

ie very firm tone in gilt-edged has remained a tonic for the market. By Thursday evening highest-coupon short-dated gilts had risen a further 2 1/2 p and at the long end, the yields of four points were the highest yields available down to 12 1/2 per cent, 2 1/2 points below the level of a month ago.

sterday morning saw some solidation but the gilt-edged set is still firm, even

LONDON ONLOOKER

gh it is now discounting, ie long end, another cut of points or so in Minimum Rate, which was held at 13 per cent on Sunday. Sterling has been firm this week—the Bank of England probably bought in foreign currency but still had an appreciation of two p to \$2.04—and foreign equities, as well as gold, has apparently been

ch of the interest in the stock market has come from long-term investment institutions. They are able and willing to hold beyond the rest of the market with its gloomy prospects company profits. The is of the devolution polls brought forward the likely of a General Election thing which no longer fills City with alarm. In both equities the gains in the last week have been exaggerated, stock shortages, in gilts by continued absence of a tap and in equities by strong demand for stock at a time the jobbers had run down books.

t sunstroke can come on only and gilts in particular beginning to look rather sed. Inflationary expecta-

tions are still quite high and British investors may not find long yields of below 12 per cent attractive. The volatile foreign interest, however, remains an unknown quantity.

Plessey's problems

Plessey this week joined the growing band of major UK companies reporting disappointing profits. Had it not been for an increased contribution from its stake in ICL (now sold), its third quarter profits would have fallen. As it was they were virtually unchanged at £9.8m and for the third year running Plessey's annual profits look like hovering just above the £40m mark.

This is not the sort of performance that one would expect from a company in a high growth advanced technology business. Just how far down-hill Plessey has drifted over the last few years can be judged by comparing its performance with Racal—a company often quoted as a potential bidder. In 1973-74 Plessey made pre-tax profits of £40.3m while Racal made £6.2m. This year Racal should make over £60m. No wonder Plessey's shares yield over 8 per cent at 110p, while Racal, at 420p, its year's high, is yielding less than 1 1/2 per cent.

For Plessey the big problem has been the major cutback in Post Office spending. This has forced it to make big redundancies and it has written off £23m below the line over the past couple of years as a result. Even so Plessey's main factory at Liverpool, Edge Lane, is still losing money at the rate of £0.75m per month. The management hopes to have this side of the business breaking even by the end of 1979-80 and the same goes for the Garrard business which lost £3.1m in the first nine months of the current year. There is plenty of recovery potential for those prepared to wait—but Plessey has a disturbing knack of finding fresh problems.

Redundancies have also had a significant impact on Turner and Newall—another FT 30-Share Index stock—where profits of £38.5m confounded earlier market expectations of £50m pre-tax for 1978. A provision of £7.6m has been made to cover the cost of shedding 1,500 jobs in the UK this year, but hopes are now pinned on T and N's ability to pay a maintained

dividend of 11.5p net per share for 1979 without recourse to reserves.

The group has an unhappy history of redundancies. Some 4,000 jobs went in 1975 and a further 350 employees were laid off last year. Yet unless the Board has grossly miscalculated the level of demand for construction materials, that should be the end of the saga and the City can look forward to broadly unchanged pre-tax profits without further extraordinary provisions.

The spending spree, which included the recent acquisitions of Storey Brothers and Hunt Chemicals, is not yet over. Last year, T and N spent £43m on new plant and in 1978 the group is committed to an outlay of £16m in the UK and £18m overseas. That implies a net cash outflow once again but, rather than running the gauntlet of another rights issue, any deficit should be funded on a short term basis.

ICI cash outflow

ICI, which published its accounts during the week, is also facing a substantial net cash outflow this year on capital investment of around £800m. The chairman's statement stressed that it is vital that the chemical majors pass on the cost of spiralling naphtha prices despite low growth and over-capacity within the industry. Should those price increases fail to stick across a broad

range of industrial products, ICI's ability to maintain, let alone improve, recent profit levels and thus its scope to fund 80 per cent of planned capital spending from cash flow must be questioned.

Royal Dutch/Shell is also exposed in the petrochemicals sector but any problems here may well be offset by increased oil profits.

With a £100m upturn in fourth quarter income against the final three months of 1977, profits on oil refining are clearly moving back in Shell's favour for the industry is starting to show strongly improved margins on these operations. The market was starting to tighten towards autumn last year and the shortage of oil which stemmed from the Iran crisis has, once again, meant that the oil companies can earn good returns on their refining and marketing activities.

Stock profits, which amounted to £200m when OPEC prices rose 10 per cent in 1977, are forecast to reach up to £300m this time and, in addition, Shell will pay a pent-up dividend of 52p per share net when controls are finally relaxed.

Unilever is another multinational company with a sizeable dividend backlog, 50p gross per share in this instance. Apart from the poor first quarter, volume sales improved by around 5 per cent last year and the upturn came through to profits which climbed 11 per

MARKET GAINS FROM 1978/79 LOWS

U.K. INDICES

	Index	%	1978/79
	y/day	change	high low
Ind. Ord. Index	515.4	18.9	535.5 433.4
Govt. Secs. Index	73.00	12.9	78.58 64.44
Gold Mines Index	163.9	32.1	206.6 124.1
Building Mats.	233.47	40.4	233.47 166.30
Contracting	384.89	33.7	419.51 289.35
Electricals	620.04	53.3	620.04 404.47
Eng. Contractors	393.26	45.1	393.26 270.95
Mech. Engineering	195.15	30.2	204.75 149.87
Metals, etc.	175.16	14.0	182.91 153.60
Electronics	310.35	48.5	310.35 209.01
Household Goods	164.4	4.6	190.17 157.33
Motors & Dist.	124.04	18.5	135.65 104.68
Breweries	260.93	27.9	254.43 204.04
Wines & Spirits	348.45	51.6	348.45 229.85
Ent. Catering	318.34	45.0	318.34 219.62
Food Manufg.	223.67	27.5	223.67 175.37
Food Retailing	280.77	59.0	280.77 176.53
News, Publishing	422.36	56.6	422.36 269.59
Packaging, Paper	148.41	24.6	155.65 119.11
Stores	231.26	40.0	231.26 165.17
Textiles	183.35	14.0	191.90 160.85

	Index	%	1978/79
	y/day	change	high low
Tobacco	292.02	35.9	292.02 214.88
Toys, Games	90.76	2.1	125.21 88.91
Chemicals	311.67	30.3	315.28 238.69
Pharmaceuticals	273.40	19.7	291.13 228.41
Office Equipm't	148.68	26.6	150.75 117.48
Shipping	427.93	8.6	483.01 393.90
INDUSTRIAL GRP.	247.61	33.1	247.61 186.02
Oils	623.96	49.3	623.96 417.98
500 SHARE INDEX	278.44	35.5	278.44 205.42
Banks	235.10	37.0	235.10 171.58
Discounts	244.53	32.0	244.53 185.20
Hire Purchase	182.33	33.6	182.33 136.39
Insurance (Life)	149.35	19.5	157.59 124.97
Insurance (Comp.)	141.33	22.7	143.46 115.15
Insurance (Brokers)	339.30	16.1	372.27 292.37
Merchant Banks	88.50	24.6	88.50 71.00
Property	332.21	58.2	332.21 210.03
Invest. Trusts	230.06	30.4	243.92 176.48
Mining Finance	129.29	51.4	129.29 85.39
Overseas Traders	358.04	36.5	358.04 262.26
ALL-SHARE INDEX	256.23	34.0	256.23 191.15

Average	Mar.	Mar.	Feb.
week to	9	2	23
FINANCIAL TIMES			
Govt. Secs.	72.08	70.03	66.65
Fixed Interest	72.41	70.12	67.23
Indust. Ord.	496.7	478.2	460.7
Gold Mines	161.2	175.4	181.0
Do (Ex S pm)	114.3	119.4	123.5
Dealings mtd.	6,904	6,488	5,316

FT ACTUARIES

Capital Gds.	247.88	237.70	226.9
Consumer (Durable)	225.20	217.19	208.28
Cons. (Non-Durable)	231.99	221.65	209.53
Ind. Group	237.87	227.30	217.51
500-Share	267.49	255.71	245.36
Financial Gp.	190.71	182.46	171.89
All-Share	246.65	236.15	226.24
Red. Debs.	54.22	52.72	51.43

TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEBRUARY 8

	% change
Food Retailing	+20.9
Light Electronics, Radio TV	+19.8
Stores	+19.0
Discount Houses	+18.7
Office Equipment	+18.5
Property	+18.4
All-Share Index	+13.4
THE WORST PERFORMERS	
Investment Trusts	+ 8.1
Textiles	+ 5.5
Shipping	+ 4.5
Mining Finance	+ 4.4
Toys and Games	+ 2.0
Household Goods	+ 1.7

How to get more for your money.

New issue 4 year investments pay higher interest.

9.50%
Net interest rate, basic rate income tax paid at 33%

14.18%
Gross equivalent to income tax payers

New issue 4 year term Monthly Income Shares

If you invest £1,000 or more in Monthly Income Shares for a fixed period of four years, we pay you at a rate of interest guaranteed to remain 1.50% higher than the ordinary share rate. If you prefer, you can invest on 1 month's notice of withdrawal or for 2 or 3 years. Simply choose the scheme best suited to your needs and receive your interest monthly.

Invest now by filling in the coupon and sending your cheque direct or send for further information or call at your local Provincial branch.

To: The Investment Manager, Provincial Building Society, Provincial House, Bradford BD1 1NL.

If we enclose a cheque for £ (minimum £100 to £15,000 - £30,000 for a joint name account in multiples of £100) to be invested in a Monthly Income Share account on the following basis. (Please tick the appropriate box.)

Net Interest Rate: ☐ 8.00% ☐ 8.50% ☐ 9.00% ☐ 9.50%

Guaranteed differential: ☐ 1 month's notice ☐ 2 years ☐ 3 years ☐ 4 years

above ordinary share rate: ☐ 0.50% ☐ 1.00% ☐ 1.50%

Please forward my interest to: ☐ Bank Ltd. at ☐ Account No. ☐

Signature(s) ☐
Mr/Mrs/Miss ☐
Address ☐

Post Code ☐

Please send me further details on investing in Monthly Income Shares ☐ FT2

9.50%
Net interest rate, basic rate income tax paid at 33%

14.18%
Gross equivalent to income tax payers

New issue 4 year term High Yield Shares

You can invest up to £15,000 (£30,000 on a joint account) or you can start with as little as £100. Then let your capital build up with interest credited every six months into an ordinary share account. Your interest then earns even more interest. Leave your investment for a fixed period of four years and we pay you at a rate of interest guaranteed to remain 1.50% higher than ordinary share rate. If you prefer, you can invest for 2 or 3 years. Simply choose the scheme best suited to your needs.

Invest now by filling in the coupon and sending your cheque direct or send for further information or call at your local Provincial branch.

To: The Investment Manager, Provincial Building Society, Provincial House, Bradford BD1 1NL.

If we enclose a cheque for £ (minimum £100 to £15,000 - £30,000 for a joint name account in multiples of £100) to be invested in a High Yield Share account on the following basis. (Please tick the appropriate box.)

Net Interest Rate: ☐ 8.50% ☐ 9.00% ☐ 9.50%

Guaranteed differential: ☐ 2 years ☐ 3 years ☐ 4 years

above ordinary share rate: ☐ 0.50% ☐ 1.00% ☐ 1.50%

Please forward my interest to: ☐ Bank Account ☐

Cheque to Home Address ☐ Ordinary Share Account ☐

If bank please complete: To ☐ Bank Ltd. at ☐ Account No. ☐

Signature(s) ☐
Mr/Mrs/Miss ☐
Address ☐

Post Code ☐

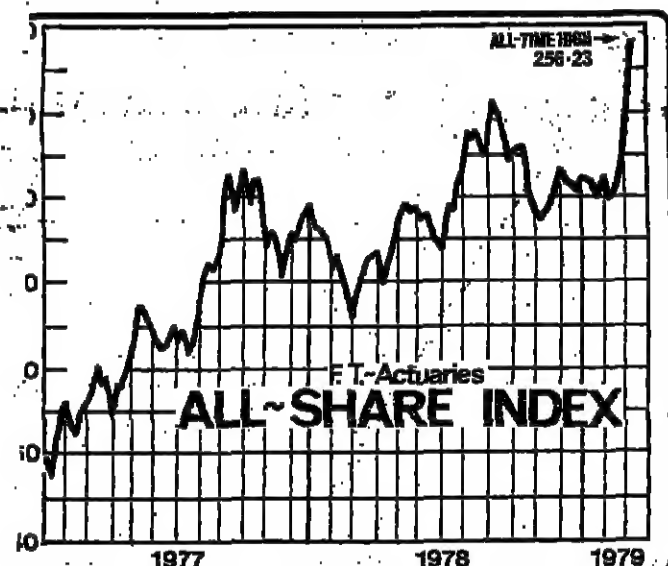
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Looking up

RE IS one expression used of stock market years which is capable of driving the layman into a mad fury. "Look what the market is saying," they remark, "a knowing look, a sly smile all the satisfaction of a ter who knows a good thing the 3.30 at Belmont. The reason is that the market is to the top of Mount and returns with knowledge of the most economic storms and Presidential orders which will influence the market. Thus, it is said, the market is telling us something about the present and the future and its judgment, by no means infallible, is to be scorned.

aving showed a marked resion to mountain climbing February and as a result

NEW YORK

JOHN WYLES

ing no disposition to move where, the market has ted to jerk in the last few s like a water diviner's twig. ume has picked up to the ext that over 32m shares were ted on Thursday and the gain the Dow Jones Industrial rage over the last few days r 28 points. Is the market ing us anything and if so at? The answer from some idits is affirmative and the elved message from the mar deals with interest rates the world situation.

One of the depressants in urary, it could be argued, s the sudden bout of national respectation here on the sub of American world power l influence, or rather the lack it. The assassination of an bassador in Kabul, the ss of the Shah of Persia, apparent inability to clinch prize of an Israeli-Egyptian ce settlement so gloriously ed at Camp David and even China-Vietnam war have en widely seized upon as ns that the stars and stripes slowly being pulled down the

global spaggle. Much of the public discussion on America And The World has been non-sensical and particularly ignorant of changes in the world since the early 1960's.

When the rest of the country is avoiding deep thought on the subject, there is no reason why institutional investors should give themselves a headache and they have concentrated, instead, on things they can understand like a Presidential mission to the Middle East from which it is assumed, the elusive Israeli-Egyptian peace treaty will be captured. One of the market's most sensitive nerves runs right through Tel Aviv and an assurance of greater security for that capital city is bound to be a tonic for American equities.

The burst of optimism over the Middle East, despite higher oil prices, coincides with a resurgence of hope about the outlook for interest rates. Short term rates have been extremely stable and have even declined a little this year and with the U.S. money supply showing virtually no growth, the belief is again taking hold in some quarters that interest rates have peaked. If this is so then stocks are going to look a much better investment in comparison with fixed income securities and traditionally this is the reason why the U.S. Stock Market tends to move into a bullish phase after interest rates have started to decline.

Most private economists, by the way, believe that interest rates will be higher by mid-year but investors often ignore private economists when their wishes/hopes start to control their judgment. This appears to be the case in some quarters at the moment since the Wholesale Price Index for February rose at a 12 per cent annual rate and it is at least arguable that the Federal Reserve Board is not going to live indefinitely with these bad inflation figures without perhaps turning the credit screw a shade tighter.

CLOSING INDICES

Monday	827.36	-11.61
Tuesday	826.58	-0.78
Wednesday	834.29	+7.71
Thursday	844.85	+10.56
Friday	842.86	-1.99

Assets exceed £1,200 million

YOUR SAVINGS AND INVESTMENTS 1

Culverting a stream

BY OUR LEGAL STAFF

The Corporation have taken four acres of our land and six acres of my neighbour's land for housing purposes; our two areas are divided by a stream and we are being asked to pay for the cost of culverting the stream. It is the intention to build council houses on the land, culverting the stream will no doubt enable more houses to be built. Is the district valuer entitled to charge us for the cost of culverting?

We do not think that the council can require you to culvert the stream or charge you with the cost of doing so. Nor should the District Valuer take account of the cost of culverting, as he could only do so if it were appropriate to include, in the other scale, the betterment to the land affected by the scheme for which the purchase is being made, and that you cannot require him to do. The price should in our view be fixed without reference to the cost of culverting.

Land register rectification

The deeds of a club of which I am secretary indicate that we already own part of an adjacent plot we wish to buy, which is offered for sale by X. The whole plot is registered by X at the local land registry. The Registrar advises us that the title of the registered proprietors is well established both by physical possession and by documentary title deduced on first registration and he is not prepared to amend the filed plan. Is

it not possible to have the register rectified under these circumstances?

It may indeed be possible to procure rectification of the Register if the only error springs from matters transacted between a third party and the Land Registry. However, if there has been physical possession, to the exclusion of the club, as the Registrar claims, the position would be different. The club should consult a solicitor.

A deposit from tenants

I have received conflicting advice as to the legality of taking a deposit from tenants of furnished accommodation as a security against damage or theft of the contents. Could you please let me have your view?

It is permissible to take such a deposit as you envisage, but it is important that it is not set at an amount which could be said to be a disguised premium. So long as you can satisfy the court (if need be) that the deposit is a genuine hedge against the risk of breakages and damage, the taking of a deposit is not unlawful. Sections 118-128 of the Rent Act 1977 deal with this area of the law.

Limitation on revenue claim

In 1969 a dispute arose about the sum payable to me for a sale of shares in a private company. I submitted the sale in my tax return, but could

not put a value on it, so the Tax Inspector issued an estimated assessment for capital gains tax in 1971, which I paid. Two years ago the dispute was resolved by arbitration and I got 25 per cent more than the estimated figure. Can the Inspector now assess the balance, or is such an assessment statute barred? Am I obliged to inform him of the settlement figure?

You should have informed the Inspector once the arbitration was completed. It is from that time that the time for limitation would run, and a claim by the Revenue is not barred today. Moreover it would not be barred so long as you conceal the outcome of the arbitration. You should therefore clear this matter with the Revenue now.

Rights on a public footpath

One field over which a footpath close to my residence and shown on the Ordnance Survey map is owned by A and another by B. An aggressive horse which has chased me more than once occupies A's field for most of the day, and A will do nothing about it, while B has taken the dogs are only to be taken across his field on a lead, and if they stray from the path he is likely to shoot them. A has stated that he may put up a notice warning walkers to beware of the horse. Would this absolve him from any responsibility with regard to its behaviour? Can B insist that dogs be kept on a lead? What, please, is the legal position? If the paths are indeed public

footpaths you should invite the local highway authority (probably your local district council) to take the matter up. However, not all paths shown on the Ordnance Survey map are in fact public.

FINANCE AND THE FAMILY

public paths; and you may have to establish a private right of way if that is the case. A notice will not absolve the owner of the field from any liability he may have. The dogs must be kept to the paths.

Remittance basis for tax

Could you tell me how, briefly, the situation with regard to taxation on a remittance basis in connection with overseas earnings or profits has changed since the 1974 Act?

We take it that you are concerned solely with the rules relating to people who are ordinarily resident and domiciled in the UK, as well as being resident here.

That being so, the 1974 Act abolished the remittance basis for (a) overseas pensions; (b) profits from trades etc. carried on wholly outside the UK; (c) profits from non-resident partnerships; (d) emoluments from employment; (e) the duties of which were performed wholly outside the UK. (The remittance basis did not apply to income from the Irish Republic.)

less than insurers' normal rate or know that you have opted out of flood cover this is the time to have a word with your insurers if you live in a vulnerable area. With domestic "all

INSURANCE

JOHN PHILIP

risks" policies on valuables there is no problem, for such policies provide full cover subject to specific exclusions and flood is not one of them. This same comment goes for "comprehensive" motor policies whether on cars, cycles, vans or whatever: the risk of damage, however caused, is covered unless some peril or some particular kind of damage is excluded—for example consequential loss.

In the commercial sector, on offices, shops, factories and so on, whether for buildings or contents, flood cover normally has positively to be bought. The exception is with those policies which provide that so many insurers now provide for the small businessman. But mindful of their enormous claims potential for even a flood of small proportions let alone one affecting all the threatened 45 square miles, all insurers are now taking a very cautious view of adding an extra burden to their existing heavy commitments in the Thames-side area.

to create a general unspecific reserve of £100. It has two courses open to it.

One possibility is to say that tax relief although not immediately available will be granted as soon as the reserved amount becomes bad or doubtful. Therefore charging the reserves against profits first, and only later obtaining tax relief, is one of those "short-term timing differences" which accounting authorities say should be dealt with by modifying the current year's tax charge through a deferred tax account.

The trouble with this course is that tax relief accounted as a benefit by the company before the revenue allows will reflect in the company's balance sheet as an asset. Most directors and auditors think it imprudent if not actually untrue and unfair to write such an asset into the books. But they would equally deplore charging the £100 reserve against post-tax income as well as against pre-tax income.

The alternative accounting treatment is therefore to say that post-tax income will be correctly stated if a general reserve is created of £148 only. As and when debts of £100 go bad, the tax relief on them, together with the net amount recovered, will suffice.

But if this is done, does the balance sheet truly and fairly state the debtors—not of provisions of £148 rather than £200? And what about the veracity and equity of the income statement at the pre-tax line? Applies to the value of £58 net, to arrive at an aggregate charge of £118. The answer to both questions is yes—one merely has to recognise that a part of the £148 is a "taxed reserve" whereas the other part of it is a provision out of pre-tax income.

Whatever else one may mis-doubt, it is certain that neither accountants nor tax-men can long remain unscathed and unscared, whether they are building each other, or merely wrestling with such abstractions as the pared conceptual framework of accounting.

COUNTDOWN TO APRIL 5:

Eamon Fingleton and Eric Short on opportunities to snap up before the tax year ends

WHAT JANUARY is for sale-crazed housewives, March is for tax-minded savers. There is nothing like the prospect of cutting tax to get savers' adrenalin going. And in the weeks leading up to April 5, insurance brokers' offices resound to the scratching noises of clients signing on the dotted line.

This year there are more bargains on offer than usual. But you ought to size them up critically—after all there's little point in snapping up a £10 mink coat if it turns out to be two sizes too large.

Don't, for instance, be tempted to take out an insurance-linked savings plan if what you really need is a pension plan or a larger mortgage. The case for rushing to buy insurance-linked savings before April 5 is in

any case non-existent for many savers this year. In any case only people paying high tax rates in investment income need to use up every penny of their insurance premium allowance each year.

Though many of the best bargains are reserved for the wealthy, there is something for everyone this year.

People who should check out their pre-April 5 opportunities include:

- Investors. They benefit from higher exemption limits for capital gains tax this year. If they are sitting on large gains they could save hundreds if not thousands of pounds if they make the most of the limits by, for instance, "bed-and-breakfasting."

Continued on next page



INSURANCE 1

The friendly road to faster saving

Recently-launched friendly society insurance plans offer unrivalled investment advantages to the small saver, since the underlying funds are tax free. And because of the change in the tax relief for insurance premiums, it makes sense for many savers to take out one of these plans before April 5.

The main friendly society providing savings-orientated insurance is Family Assurance. Its plan is a whole life contract with premiums paid over 10 years and invested in M and G and other units. At any time after 10 years the investor can cash-in his plan or draw the proceeds as tax-free income. The charges are low—100 per cent of premiums are invested from the second year and there is only a 2 per cent spread in bid and offer price of the units.

Because it is a friendly society Family Assurance is

restricted by law in its choice of investments: the Trustee Act 1961 requires that at least 50 per cent of the premiums must be invested in top-quality fixed-interest holdings with the rest in equities.

The investor has to have dependants to take part.

The amount that the investor can put aside each year is also restricted by law. Investors under 45 can tuck away only £10 per month, and for those 45 and over the maximum is £11 per month. The contributions, however, are eligible for the usual life insurance tax relief.

Because most friendly societies have thousands, if not millions, of policies on their books for very small premiums, under the new tax relief arrangements coming in on April 5, friendly society contracts have been given a special concession. Instead of premiums being reduced by 17½ per cent, they are being kept unchanged and

the benefits are being increased. Effectively, therefore, a premium of £10 per month becomes £12.12 after the changeover.

But this concession applies only to policies in existence before the changeover. From April 6, the maximum net premium that can be paid is £8.25 per month for the under 45s and £9.07 for older investors. So the message is pay the first

monthly premium and get your plan on the books by April 5.

A recent article in Money Management, showed that on projected values, an investor aged 39 putting aside £10 per month could expect £1,815 at the end of 10 years from the Family Assurance plan. That compares with a projection of £1,667 from the best insurance company.



GIFTS

It is the tax that counts

If you want to make over a large amount of capital to your children, every tax year counts. You should arrange to give them something each year so that you make full use of the exemption limits for gift tax.

Gifts which are exempted from the tax each year include:

- The first £100 you give to each person.
- The next £2,000 not otherwise exempted.
- Gifts made out of your income (provided they do not reduce your living standards).

The £2,000 a year exemption can be carried forward one year, but this is not as favourable as would appear. Any assets transferred are first offset against the current year and then any excess can be offset against what was carried over from the previous year.

Thus if you start making gifts now they can total up to £4,000 in this tax year with a tax bill, but in later years your limit is £2,000.

The corresponding threshold for the current tax year is £12,450. In each case the threshold is higher to the extent that a couple have mortgage or other allowances.

The advantage of separate taxation is that it may save you some higher rate tax: the threshold above which taxable was subject to higher tax was £6,000 in 1977-78 and is £8,000 this year.

The disadvantage of separate taxation is that the husband loses the extra personal allowance from a married man. This meant a loss of £510 of allowance last year and £550 this year (the single person's and

married man's allowances were £2,945 and £1,455 respectively last year and are £3,955 and £1,535 this year).

To decide whether separate taxation would benefit you, you need to determine whether your saving on higher rate tax will be greater than the loss of the extra allowance for married men.

Where couples have applied for separate taxation in a particular year, they continue to be treated separately in following years unless they revoke their decision. The deadline by which you can revoke separate taxation for 1977-78 is also April 5 this year.

WORKING COUPLES

A tax divorce for high earners

Where a wife goes out to work it often makes sense for her to be taxed separately—that is for the couple to opt to be taxed as single people.

The deadline for applying for separate assessment for the tax year 1977-78 is April 5 this year. The magic figure above which joint earnings in 1977-78 might

be more lightly taxed under separate taxation was £10,422. This was the figure that applied where a couple had only basic allowances and where the wife's earnings represented at least one-third of the total (where one of the partners' incomes is very low separate taxation may be counter-productive).

Black jobs, white reservations

SOUTH AFRICA, mining men are fond of saying, is one of the last bastions of capitalism, an area where a company's operations will not be seriously threatened and where security of jobs is not a problem.

The local industry tends not to take such a relaxed view. Taxation policy, for example, is thought to be discriminatory against the industry. And now the old issue of advancement for black employees, or to turn the issue round the other way, white job reservation, has been forced sharply into focus by the sudden strike of some members of the white Mine Workers Union.

The strikes are a reminder that the mines are not isolated from the pressures for change in South Africa and that the industry faces serious social problems which cannot be disguised by the rising trend in profits.

Faced with higher costs and a generally lower level of productivity in the gold mines, the industry has resumed its search for a greater degree of flexibility in labour practices. The Mine Workers Union has consistently opposed any steps which, it feels, would threaten its entrenched position of supervising black employees and being paid accordingly.

Mr. Arrie Paulus, the Union secretary, says there are no black miners, only black labourers—and he intends to keep it that way. He invokes the spirit of the 1922 Rand rebellion, when an uprising of white miners on this very issue was put down with force.

For its part, the industry, whose latest efforts to achieve a measure of black advancement roughly date back to 1972, has been singularly unsuccessful in convincing the Union that a shortage of labour means that the aspirations of both black and white employees can be accommodated.

This week's strike, which did not bring out all members of the Union, was more significant as a portent of future difficulties than as an immediate blow to the industry. Production seems to have been kept up to near normal levels by officials and managers doing the work usually undertaken by Union members.

One of the mines where there was a 100 per cent strike by the Union was Impala Platinum, which is 49.0 per cent owned by Union Corporation, now controlled by General Mining.

The contribution of Impala to Union Corporation earnings has been increasing as the platinum market has strengthened and this was one of the

reasons for the sharp increase in the Unioncorp profits for 1978. Net income was R62.5m (£36.6m) against R37.7m in 1977, and the final dividend was 33 cents (18.5p), bringing total payments for the year to 47 cents against 38 cents for 1977.

Prospects for the group's mineral interests this year look promising. The gold market remains firm, if erratic, and there are signs of recovery in the beach sands industry. The problem is the rate of growth which might be expected from industrial interests, which account for nearly half of net

worries about what will happen to Consolidated Diamond Mines of South West Africa, which currently provides about a fifth of group profits, in the event of a change of government in Namibia.

Should the South West African People's Organisation (SWAPO) ever form a government, it seems likely that CDM will have at the least to meet higher local tax bills and to accept a greater degree of official scrutiny over its operations.

This raises again more general points about the relationship of mining groups to governments, especially the cautious and sometimes hostile attitude of states to mining, based on what the late Sir Val Duncan of Rio Tinto-Zinc called "the emotive nature of industry taking wealth out of the soil."

The problem is defining the rights which are appropriate for companies and the dues owing to governments and local residents. It took the Australian Government several years to construct a uranium policy and this is now slowly being pursued in the Northern Territory.

Queensland Mines this week became the second operator to

be granted Commonwealth Government approval for the development of a deposit. The company will exploit Nabarlek, a small orebody which contains 5,100 tonnes of uranium oxide. It will take about two years to bring the mine on stream, which means that production should be available about a year before that from the Ranger deposit of Peko-Wallend and EZ Industries. Ranger was the first deposit to win all the official approvals for mining.

And in Malaysia there are signs that the tensions set off by the desire of the state Government of Selangor to gain more resources, and a larger share in the tin mining industry, have begun to ease as companies are Government make adjustments to accommodate this new fact.

Berjantai has secured the extension of leases which it wanted and is co-operating with Kumpulan Perangsang Sekango (KPS), the state company, on new developments near its property. Pacific Tin Consolidated has set up a new company with KPS, and in a third agreement KPS is acquiring tin-bearing land on a piecemeal basis from the Northern Territory. Brooklands Rubber Estate, der. subsidiary of Plantation Holdings, became the second operator to

London flood potential

ONE OF THE ITEMS of information traditionally provided in the weather section of most newspapers used to be the time and height of high tides at London Bridge—perhaps for many of us a piece of unnecessary information and indeed one currently ignored in whole or in part by both Press and radio.

As the embankment walls in the Thames can cope with a tide of 29 ft at London Bridge, why should we be concerned with a tide for which these walls have a 4 ft margin? The answer is that tidal predictions depend for their validity on normal weather conditions and the unpredictable but feared phenomenon is an oceanic surge coming from the Atlantic round the north of Scotland and down the North Sea. Such a surge can be caused by the movement of an Atlantic depression: such a surge can easily raise the high water level at London Bridge above the protective walls if it arrives within two or three hours either side of a high tide: such a surge, bringing an extra 8 ft of water, caused the heavy flooding on Britain's east coast and in the Thames Estuary in 1963.

A surge coinciding roughly or precisely with a peak high tide could once again cause substantial flooding all along the east coast and having regard to the extent of the coast line there is not all that much that can be

done to deal with this kind of natural disaster. But in recent years fears have grown that the riverside area of London could suffer catastrophic damage: the GLC estimates that at the worst, 45 square miles of commercial and residential London could be inundated; if you live or work in riverside areas have a look at the GLC posters that are now widely displayed. In the potential flood area there are upwards of 4 m homes, offices, factories and around 1m of London's population. The potential cost of direct flood damage caused by such an inundation is not readily calculable but the most pessimistic (or perhaps most realistic) estimate puts that cost at £3bn. This immense figure does not include any estimate of the financial loss that will inevitably follow such direct damage.

The Thames barrage at Woolwich is unlikely to be completed for close on another five years. Meantime in this coming period there will be a score or so of high tides each year which can be critical if an oceanic surge coincides: all the time London is slowly sinking and South-Eastern England is slowly tilting—the high tide levels of London Bridge are now 2 feet higher than they were in the 1870s.

Just as London's government and the suppliers of services, power, transport and so on, have drawn up emergency plans to

deal with potential catastrophe, for some while company members of the British Insurance Association have been planning how immediately and effectively they can provide the insurance claims service that both private and commercial policyholders will require if there is a flood.

As outward evidence of their planning, an advisory leaflet is now in preparation and will be distributed as soon as possible to policyholders in the areas likely to be affected: this will set out what sensibly can be done before, during and after a flood to enjoy full insurance protection; particularly advice will be given on how to arrange for repairs and to get claims notified to and paid by insurers.

Obviously in time of trouble claims service is of the essence but one cannot call upon the claims service for help unless one has adequate insurance—particularly is this true of adequacy of sums insured. But let us see what cover is normally available against flood.

Domestically, home policies, whether on buildings or contents, normally provide cover against flood damage. But there are some buildings policies, mostly those first arranged before 1970, for which some policyholders pay a slightly reduced premium and which do not include flood insurance. If you think you are paying

taxpayer taking out of his profits by this means any amount which he had not brought into profit in the first place.

It is only the debt which arises from a trading transaction, one "which would have come into his balance sheet as a trading debt," in Mr. Justice Rowlatt's words, which can be deducted. If the loss is one deriving from a transaction on capital account, then a bad debt deduction from income is not available.

The onus of showing which of his trade debts are uncollectable rests with the taxpayer. Two points flow from this. He must look at individual debtors in making his prognostications—a general reserve against aggregate debts will not suffice. But if the taxpayer makes a proper examination and his estimate is accepted by the Revenue, then he cannot subsequently be set aside even though events show that he got it wrong.

One of the few questions on which the courts have laid down a general rule is that there is no need to put a debtor company into liquidation in order to show that an amount owing is uncollectable. It is either or it is not—winding up the company does not change anything.

But Her Majesty's Commissioners of Customs and Excise do not see things that way. A registered trader looks to his customer to hand over to him not only the price of the goods, but also the VAT on the sale. That is true whether the customer is another registered trader, or is the "consumer" of the goods or services concerned.

If the customer fails to pay, the VAT has nevertheless still to be accounted for by the trader who made the sale—so that his loss is 108 per cent of the sale price rather than merely 100 per cent. Strenuous efforts to have this rule changed have so far met with little success. The relaxation provided in the 1978 Finance Act was only illusory. Customs and Excise graciously undertook to hold off collecting the extra 8 per cent from the unfortunate vendor only if his individual debtor had been

adjudged bankrupt, or if his corporate one had been wound up—and in each case he must show that he made every effort to recover what he could from the trustee or liquidator.

A similar attitude on the part of the Inland Revenue authorities has always pervaded one small area of income tax law. Where rental income is concerned, they say rather sacrosanctly that the landlord will be taxed on what he should have received, unless either he takes all reasonable steps to enforce

TAXATION

DAVID WAINMAN

payment, or he waives his rent only to prevent hardship for his tenant.

Collecting or failing to collect trade debts, so far as concerns taxation of trading profits, is not subject to the same strictures. The Revenue do not generally regard it as their function to tell taxpayers how they should conduct themselves or how much pressure they should apply to their debtors.

If a taxpayer judges that the best interest of his business would be served by his not pressing the collection of a particular debt, his deduction will not be jeopardised. He would fall only in the extreme situation of his making non-allowable losses through trading uncommercially, or the other equally unusual position once judicially considered by Lord Denning of "a trader who may for any reason choose to give things away or to throw them into the sea."

Lastly, the recent change in the clearing bank's disclosures has focused attention onto one very debatable accounting problem. Where a company charges against its profits a £100 specific bad debt provision, it will obtain tax relief, and its post-tax profits will therefore be reduced by £48. If the company concerned thinks it advisable additionally

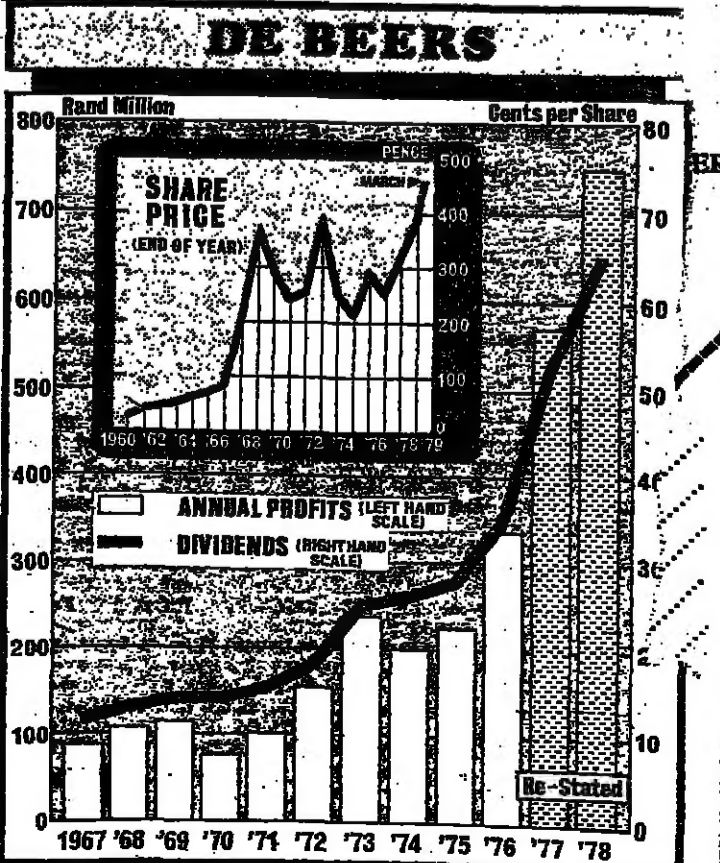
Counting for bad debts

ONE OF THE MORE monstrous features of our tax system is its propensity to require in certain cases that tax be paid over where the income concerned may not be received. It is true that if your sales proceeds never come home to roost because your debtor goes bad, you can "deduct" the amount he owes, but the word itself is indicative: your profits from the sale are first to be computed as if you had received all that is due to you. Only thereafter, in certain circumstances, can you claim that your income should be reduced by the relevant amount.

The principal legislation is a single sentence in Section 130 Taxes Act 1970, phrased like much of that law in the negative. You may not deduct in computing profits the amount of any debts other than those which you can prove to be bad, or that part of any doubtful debt which you estimate to be bad.

The standard text books on tax expand this into four sentences. The onus of proof lies with the taxpayer. If and to the extent that he can show that a debt can reasonably be regarded as uncollectable, he is entitled to a deduction. If the relevant amount is later collected, it is to be treated as income at that time; the earlier accounts are not to be reopened. And lastly, deductions by employees may be deducted, but not those of directors.

But life is never as simple as the textbooks make it appear, and it could be worth spending a minute or two looking rather more closely at this subject. There is, for instance, another implication of the word "deduction": ordinary English meaning does not allow for a



APRIL YOUR SAVING AND INVESTMENTS 2

tips to beat the taxman's deadline

Vives. Many working wives are missing out valuable pension rights because they are not using the full National Insurance stamp. The time for applying to pay the full stamp is April 5.

Family men. They need to act before April 5 if they are to make the most of new society investments enjoying extra-ordinarily good tax benefits.

Working couples. Well-paid career women in most cases be taxed separately from their husbands and they need to act before April 5 to claim tax overpaid last year. The self-employed. They should use each year's limit on pension payments before coming endowment policies or any other long-term savings plans.

● **Grandparents.** They should make the most of each year's gift tax exemption limits.

● **Students.** The attractions of covenants for parents supporting children at university are greater than ever before.

The articles below give some of the main rules for availing of the opportunities—but in many cases before going ahead you should check with an accountant that the advantages apply to you.

For further information on tax get the highly readable *Money Which? 1979 Tax-saving Guide*. It costs £8 a year to subscribe to *Money Which?* and you can get the tax-saving guide as back number for £1. Write to the Consumers Association, 14 Buckingham Street, London WC2N 6DS.



CAPITAL GAINS

Bed-and-breakfast for the wealthy

People sitting on big profits on their investments may save capital gains tax if they act before the end of the financial year.

The main rules for capital gains tax this year are that the first £1,000 of gains are exempt from tax, the next £4,000 pays 10 per cent, the next £4,500 pays 15 per cent and above that the rate is 30 per cent. One result of this structure is that it may pay an investor with no other gains to cash in some of his investments specially to take advantage of the first £1,000 exemption and the low rate payable on the next £4,000.

If the investor has no immediate need for the money, "bed-and-breakfasting" may be worthwhile. This is the City technique by which you sell an investment and buy it back the next day: the point of the exercise is to establish a gain—or, often, a loss—for tax purposes.

If, for instance, you bed-and-breakfast a holding on which you are showing a gain of £1,000, you will have no capital gains tax to pay this year (provided it is your only gain) and in subsequent years when you actually want to sell out, the

gain you will be assessed on will be measured since the bed-and-breakfast date and not from the date of your original purchase.

Bed-and-breakfasting can also be useful for reducing your tax bill if you have already realised substantial gains this year. Then the thing to do is bed-and-breakfast a holding on which you are showing a big loss and offset this against your gains and so put off the need to pay tax, perhaps forever.

Usually the charge for bed-and-breakfasting is the normal stockbroker's commission plus a token extra for the jobbers' turn—the costs should total less than 1.6 per cent in most cases.

Bed-and-breakfasting has a special application this year for investors in unit trust and investment trusts. This results from the transition to new capital gains tax arrangements for trusts.

The tax rate in the case of gains made from unit trusts and investment trusts is specially low because you get a credit for gains tax paid within the fund. The effect of this is that you can cash in unit trusts and investment trusts showing gains of up to nearly £5,760 this year without any capital gains tax to pay in your hands (provided you have realised no other gains). But a change in the rules means that from April 6, the future for total trusts gains which will not pay tax will fall to £3,000.

If you are sitting on big gains on trusts, therefore, it may pay you to realise them this year rather than next. Bed-and-breakfasting may be worthwhile—though a major snag of the technique in the case of unit trusts is that you may have to pay stamp duty of 3 per cent on top of any charge made by the unit trust group (usually 1 per cent or 1 1/2 per cent).

And following a decision announced yesterday by the Stock Exchange, many investors may now find it profitable to bed-and-breakfast through a stock-jobber.

Some unit trust groups have now developed a device by which you can bed-and-breakfast through an in-house licensed dealing company and not incur stamp duty.

One of the pioneers of the idea is Allied Hambro, which passed on its findings to the rest of the industry through the Unit Trust Association.

Other groups which have similar facilities include Henderson and Tyndall.

The discovery enables Allied Hambro to charge a total of 13 per cent for bed-and-breakfasting where the holding is worth more than £2,500.

Bed-and-breakfasting unit trusts makes sense only where sizeable gains are involved but there the advantages can be great.

To see how you use the idea take, for example, an investor who is now sitting on a gain of £5,500 on a unit trust holding bought for £4,500.

If he realises the gain after April 5 and it is the only realised gain in the next tax year, he will be assessed for £850 capital gains (nil on the first £1,000, £600 on the next £4,000 and £250 on the remaining £500). He will be credited with 10 per cent tax paid within the fund—that is £550. So the tax payable in the investor's hands will be £300.

If instead he bed-and-breakfasts today he will pay a total fee of £150 at Allied Hambro and there will be no capital gains tax to pay now or later (assuming the holding's value does not rise in the meantime).

The sort of investor who has most to benefit from bed-and-breakfasting probably has total gains of more than £20,000 in various forms and is, therefore, likely at some time in the future to be making sufficiently large realisations each year to have to worry about the disastrous 50 per cent marginal rate on gains over £5,000.

INSURANCE 2

A shelter for the highly taxed

of the most heavily-taxed methods of cutting tax bill is to take out a profits endowment policy, or a unit-linked savings plan, or the current tax year, the stor gets 18 1/2 per cent relief on premiums up to a limit of £1,500 whichever is lower. But from April 6, the new system, the relief will be 17 1/2 per cent on premiums limited to one-sixth of £1,500 whichever is higher.

The advantages of taking out insurance before the end of tax year are often greatly

exaggerated. In most cases, only high-rate taxpayers need rush to sign up before April 5: if they have free capital currently subjected to high rates of tax they should be pumping as much as they can each year into insurance arrangements and other tax shelters. As far as the basic rate taxpayer is concerned, however, it does not matter much whether he enters a scheme before or after April 5.

The advantages portrayed in advertisements are for him more apparent than real. In fact, this year in particular, it would pay to wait until after

April 6 to get the higher relief rate.

If you do decide to go ahead then you must ensure that you pay the whole of one year's premium in this tax year. It is no good paying just one month's premium.

With unit-linked policies, this is no problem. They are simply backdated and all 12 monthly premiums are paid at once.

Remember the units are bought at the current price, which is likely this year to be higher than the average price over the year. The life company is still charging you for a year's life cover that you have not had.

But with traditional endowment policies, back-dating is more of a problem. The tax qualification rules are complex and in the case of 10-year policies, for instance, you can backdate by only three months—which will not save much tax.

contributions up to 15 per cent of earnings or £3,000 whichever is the lower. It pays to take full advantage of each year's limit.

Many self-employed choose to have a business year ending on April 30 for their assessment. That is the assessment for 1978-79 is based on trading or earnings for the 12 months to April 30, 1977. So for these the final assessment is received well before the October 6 date.

Yet the experience of Equitable Life, one of the best offices for pension plans, is that most self-employed people wait until the last moment and its staff have to work 14 hours a day in the weeks before April 6 to process the schemes.

Yet there is no advantage in waiting to the eleventh hour—the life company can do better with your money than you can. Additional voluntary contri-

butions made by employed people enjoy the same advantages as the self-employed's pension plan payments: full tax relief on the outlay, investment in a tax-free fund and generous tax treatment of the benefits.

You can pay up to 15 per cent of your earnings less what you pay to the main company pension scheme and the definition of earnings is often more generous than that for the main pension scheme. The main scheme may, for instance, define earnings as basic pay, but for AVC purposes, the definition can include overtime and bonus payments.

If the trust rules are written flexibly, you could get an AVC scheme going before the end of the tax year, with the employer's approval. You could pay a full year's contributions immediately, followed by monthly payments from April.



PENSIONS

Something for everyone

most effective way for self-employed to cut their tax by investing in a pension. The advantages of pension are also open to employed who are not covered by a company scheme. And for many in company schemes, it may be an attractive opportunity for cutting tax by making additional voluntary contributions (known to the pension industry as AVCs).

on which their tax assessment for a year becomes final.

If the assessment for the year 1978-79 became final before October 6, 1978, the investor has until April 5, 1979 to act to get tax relief for self-employed pension plans for 1978-79.

If the assessment is made after October 6, 1978, the investor has six months from the date of assessment to act to get tax relief.

Remember that the self-employed investor gets tax relief at his top rate on



COVENANTS

Tax relief for students

If you have a child at university you could save hundreds of pounds in tax if you pay for his or her keep under a covenant. And, in most cases, there is an advantage in starting the arrangement before April 6.

Payments made under a properly set up covenant qualify for tax relief in your hands. They count as income in the hands of your beneficiary—but there may well be no tax to pay. This is because they can have income of up to £995 this tax year before paying tax. And the next £750 is subjected to only 25 per cent.

The arrangement for claiming tax relief is that you deduct it direct from the gross payment you make—and your beneficiary then claims a tax refund from the Inland Revenue. Tax relief is limited to 33 per cent—and you get it only if you have enough income taxable at 33 per cent to cover the payments.

The case for taking out a covenant arrangement before April 6 is that your beneficiary does not get the refunds until the end of the tax year in which the payments were made.

Say you arrange to covenant £400 a year gross to your son. You deduct your tax relief of £132 so you actually pay him £268. If the first year's money is paid before April 6, he should

get his tax refund by early summer, but if the covenant payments start after April 5, he will have to wait until the summer of next year.

There is a minor snag for some people planning to make over more than £115 a year before tax, which is that the parent's child allowance is cut away by £1 for each excess £1. The current tax allowance is £165 so in the case of any son or daughter with covenanted income of more than £280 gross it is completely extinguished.

But the snag exists for this year only—child tax allowances are in most cases disappearing next year. And in any case anyone planning to make over an amount on which the child recovers more at 33 per cent than the parent sacrifices at his marginal rate on the £165 will have something to gain from starting the arrangement immediately.

To qualify for tax relief a covenant has to have a potential life of more than six years—but there is no penalty if it is wound up prematurely. A clause can be included ending the agreement automatically as soon as the child finishes full-time education.

The illustration (below) shows how a deed of covenant can be worded. It can be sealed with a disc of red paper by your signature.

I, John Smith, of 27 Acacia Avenue, Shepton, Somerset, covenant to pay my son, David, of the same address, a gross amount of £200 on each of the following dates in each year, namely 1 October, 1 January and 1 April, for the period of 7 years, or for the period of our joint lives, or until he ceases to be receiving full-time education at any university, college, school or other educational establishment (whichever is the shortest period), the first payment to be made on 1 October 1978.

Dated 1 September 1978

Signed, sealed and delivered by John Smith:

John Smith

in the presence of:

P. J. Smith 38, Welling St, Bosset

(witness's signature and address)

Complete covenant kit: just add money

In an analysis next week we shall show that millions of working wives are losing out on an excellent investment because they pay the lower National Insurance stamp. The deadline for applying to pay the full stamp is April 5.

Share Exchange has the following advantages

- If you hold UK-quoted shares, Gartmore can make you a particularly attractive share exchange offer.
- We will make shares in approximately 400 securities, including all the leading shares, into Gartmore at the offer price without any charge for selling expenses. This means you can save a minimum of 1.6% plus the jobbers' turn.
- Securities not acceptable will be sold at the bid price but the managers will pay all costs involved in the transaction. This also saves a minimum of 1.6%.
- We offer a wide range of unit trusts all of which give you the advantage of full-time professional management from a group which now manages funds in excess of £750 million.
- If you have hesitated to exchange your shares because of Capital Gains Tax, it is worth noting that the level of tax has been very much reduced by the Finance Act 1978. Total gains of up to £1,000 in one financial year are now free of tax and the next £1,000 is taxed at only 15%.
- Once you switch into a unit trust you enjoy favourable Capital Gains Tax treatment.
- If you would like to know more about the Gartmore Share Exchange Service and the trusts we offer, or would like to know which of your shares are acceptable at offer price, please complete the coupon below, and attach a list of shares and the number you hold.

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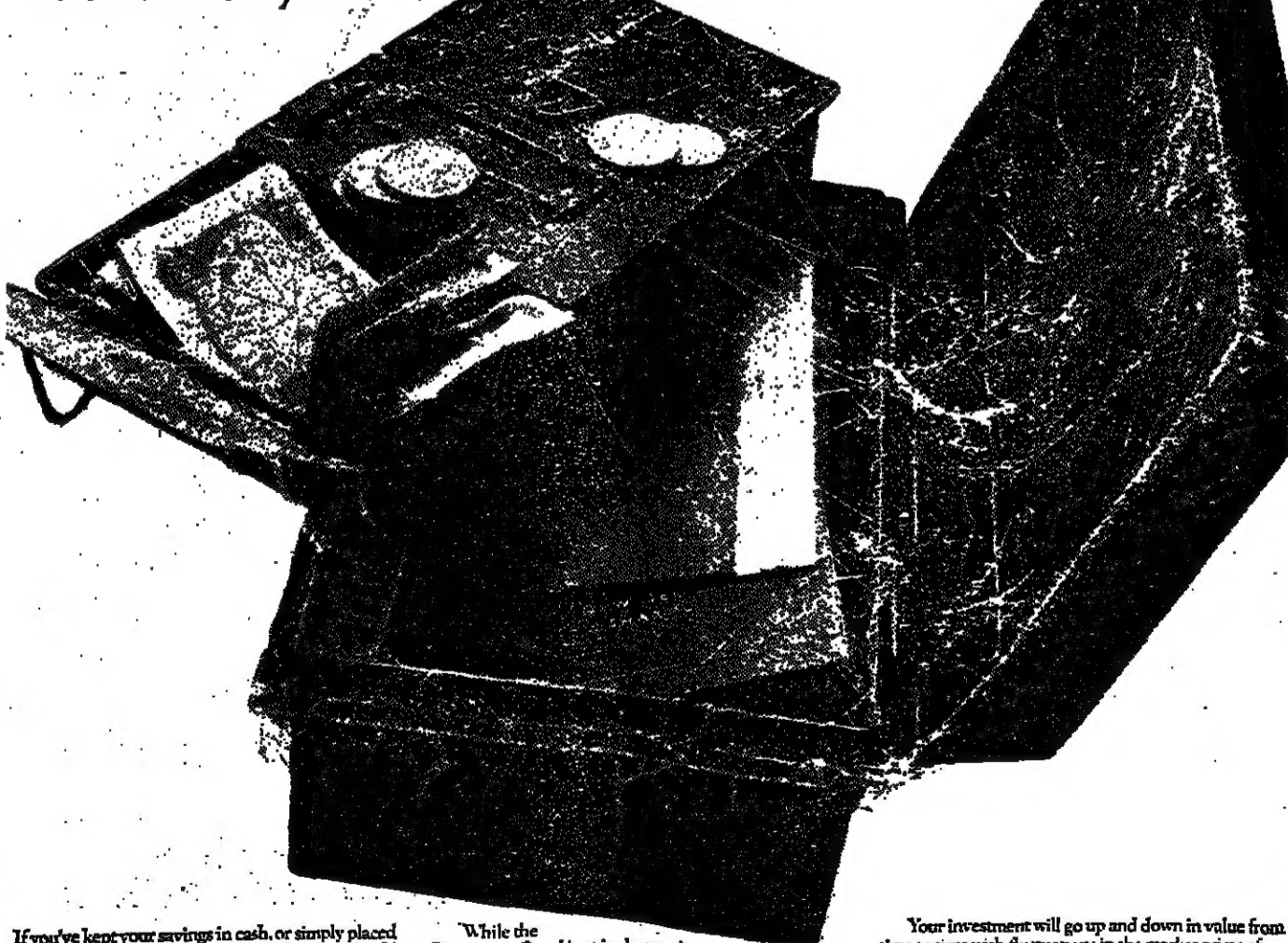
£750,000,000 under Group Management.
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Please send me details of the Gartmore Share Exchange Service (Please attach a list of your shares)

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Address _____

Why is your money working as hard as you are?



If you've kept your savings in cash, or simply placed them in something like a straightforward savings account then the answer is probably "No".

The best your money is doing at the moment is earning interest, and in these inflationary times that really isn't good enough.

What you need is a scheme that gives your capital the chance to grow too.

And that's what the new contracts from GRE Linked Life Assurance Limited are designed to do.

Why should you invest through an insurance company? GRE Linked Life Assurance Limited is a specialist subsidiary of Guardian Royal Exchange Assurance, one of Britain's largest insurance companies with assets of over £2,500 million.

GRE has over 250 years' experience in using investment skills, as well as underwriting expertise, to fulfil the expectations of policyholders. And it is this investment experience that lies behind these new contracts.

Single Premium or monthly saving? Which is right for you?

The three contracts are designed to suit everyone from the investor who can pay a large single premium to the person who wishes to save a small sum every month out of income.

The Capital Builder is a regular savings policy with a minimum premium of £10 a month. You can keep the contract in force until you are 70 or you may cash it in after ten years without incurring any penalty. The High Investment Plan is a 10 year regular investment plan with minimum life assurance protection specially designed for the larger investor. The minimum monthly premium is £20.

While the Investment Bond is a single premium contract encashable at any time with a minimum original investment of £1,000.

How tax relief helps.

The Capital Builder and High Investment Plan both qualify for life insurance premium relief and this is currently worth about two monthly premiums a year so you get that much more value than the actual cost to you.

Choose your own portfolio—or let us manage it for you.

There are six different portfolios to choose from, all of them handled with the same degree of expertise. If you choose our Managed Portfolio the GRE investment experts are free to spread the investment wherever they feel the prospects are brightest.

Alternatively you can choose an individual portfolio yourself. For example, if you feel that the outlook for property values is promising you can opt for the Property Portfolio. If you wish to look at overseas companies, then you can choose the International Portfolio, and so on.

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An investment you can keep an eye on. Whenever you choose you can keep a close watch on the performance of the unit prices through leading newspapers.

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Your investment will go up and down in value from time to time with fluctuations in the market prices of the assets comprising the chosen portfolios. However, the expertise of the GRE investment team offers good prospects for future performance over the years.

How soon can we start to make your money work?

The first thing to do is to complete the coupon below and we'll send full details to you straight away. Then we suggest you discuss your aims with your regular investment adviser or local GRE branch to decide just which contract meets your individual requirements best.

So fill in the coupon today and pave the way for a great investment team to start working for you.

GRE Linked Life Assurance Limited

To Guardian Royal Exchange Assurance Field Operations Department, FREEPOST, London EC4A 3NY. Please send me an explanation booklet and a quotation for Capital Builder £— premium (Min. £10 per month) High Investment Plan £— premium (Min. £20 per month) Investment Bond £— premium (Min. investment £1,000)

Name _____

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Less Corporation Tax	52,000
Remainder available for distribution to you	48,000
Less Personal Tax @ 98%	46,567
Net amount available for you	£1,433

CONCLUSION:
Of every £100,000 of profit earned, only £1,433—less than 1 1/2%—is available for you, the owners of the business, to spend.

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TRAVEL

by Sylvia Nickels

Life on still water

Having recently acquired a half share in a 17 ft Canadian canoe, I have not become an instant expert on our inland waterways; but I have begun to appreciate that complete other-world that lies beyond the highways and even byways of Britain. There are places, not five miles from my typewriter, more reminiscent of the Amazon than the South Midlands in their lushness of vegetation and mysterious wildlife sounds. You can, of course, go with a canoe where you cannot with more conventional waterways craft, but the whole network has potent appeal.

Those who have tried it will need no convincing by me. Those who have not but are tempted should bear in mind that just the same considerations apply to this as any other kind of holiday—plus a few more. Depending on your tastes in scenery, sightseeing, potential, wildlife, sociability, urban or rural attractions, there are stretches of waterway infinitely more or less suited to you.

There are, for example, urban waterways through the heart of the industrial archaeology scene; rural waterways whose banks are punctuated by castles and stately homes; "high-altitude" waterways clambering up

ladders of locks into the Pennines and down again or carried along slender aqueducts that soar above the countryside; waterways meandering under huge East Anglian skies, beneath green Welsh hills or bare Highland peaks. And so on.

A useful little booklet available at most bookshops for 50p is "A Lazy Man's Guide to Holidays Afloat 1979" produced by Boat Enquiries of Oxford who also act as a kind of clearing house for a host of waterways operators round the country. It briefly summarises the characteristics of different waterways, gives guidance on types of holiday, catering, working locks, pubs and other canal-side attractions, details of available vessels and costs. Another (free) booklet summarises these latter aspects.

For information on everything to do with the waterways, the obvious source is the Inland

Waterways Association whose quite massive list of their own and other relevant publications ranges from maps and navigation guides to general reading of all kinds and deeply historical works on individual waterways. This independent body and its many local branches are responsible for immense rescue and restoration work on stretches of river and canal that would otherwise have sunk, quite literally, into murky oblivion.

When to go is probably more relevant than on a totally terrestrial holiday. In high summer waterways are crowded, some of them very crowded, so unless you are gregarious choose your waterway with particular care. Prices, of course, are at their highest then — and the seasonal differences are considerable. Spring and autumn are delightful, especially late spring when you get the benefit of long daylight. The boats will all have had their winter refit, too. Financially, winter wins; you will have the waterways pretty well to yourself and the starker beauty of the countryside then has its own appeal. But be sure your vessel has efficient heating, and be prepared for long evenings for, of course, there is no navigation after dark. This need be no disadvantage on a well-chosen route featuring, say, some historic towns and a few good theatres.

The choice of skipper-yourself boats — either cruisers or narrowboats — is considerable and amenities vary quite widely, so make sure you get what you want in terms of washing, toilet, heating, cooking facilities, or even TV if you must. Average weekly rentals for a 4-berth vessel are from £70 to £90 in the lowest season to £150 to £200 in the highest.

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SNOW REPORTS

EUROPE

Andermatt (Sw.) 20-120 cm
Crans-Montana (Sw.) 65-140 cm
Flaine (Fr) 75-385 cm
Grindelwald (Sw.) 10-80 cm
Muerren (Sw.) 45-120 cm
Niederau (Aus.) 10-30 cm
St. Moritz (Sw.) 60-100 cm
Wengen (Sw.) 10-85 cm
European reports from Ski Club

Powder. Good conditions
New snow on firm base
New snow on hard base
New snow. Good conditions
New snow on poor base
Worn patches on upper slopes
Powder. Good conditions
New snow. Good conditions.
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THE U.S.

Hunter (NY) 20-65 ins
Stowe (Vt.) 5-20 ins
Sugarbush (Vt.) 8-28 ins

Loose, granular. Most runs open
Spring conditins. Most trails open
Wet loose snow over frozen granular. Spring conditions.

Aspen (Col.) 24-106 ins

Spring conditions. New snow. Most runs open.

Park City (Utah) 62-82 ins
Squaw Valley (Cal.) 52-107 ins

Packed powder. All runs open.
Firm packed snow. Light winds.

SCOTLAND

Caithness: Main runs and lower slopes—all runs complete. New snow with icy patches.

Main runs complete. Wet snow. Ample nursery areas on lower slopes.

Glenshee: Main runs complete with new snow. Lower slopes complete with wet snow.

Main runs complete. Wet snow. Ample nursery areas on lower slopes.

Glencoe: Main runs complete. Wet snow. Ample nursery areas on lower slopes.

Main runs complete. Wet snow. Ample nursery areas on lower slopes.

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MOTORING

When five is as good as six

BY STUART MARSHALL

A QUICK round trip to Geneva is as good a way as I know of getting on close terms with a car. The roads are varied—everything from expensively maintained autostrete to good old-fashioned cobblestones, which can still be found here and there in northern France. And the weather can usually be relied upon to do its best and worst at this time of the year.

My choice of car to drive to the 1979 Geneva Show was an Audi 100 GL SS. If, like me, you find that hard to remember, it is the five-cylinder Audi with middle-range trim and a carburettor, not fuel injection.

Frost covered the car thickly as stepped out of the Dover Motel on Monday morning last week. The motel, newly opened, had been an ideal place for a stop-over en route to mainland Europe. The Scandinavian-style bedroom with private bath and colour TV was immaculate; dinner had been excellent; service fast and friendly; and the rates (from £14 for a single to £22 for a family room with one double and two single beds) much lower than those asked for similar though often less pleasant accommodation across the Channel.

Before I get back to the Audi, I recommend Egon Ronay to take a look at continental motorway services as a change from castigating our own. Even he might have been struck speechless by the "Restop" restaurant just north of Charles de Gaulle airport on the Lille autoroute. Nearly a pound for two cups of coffee, which had

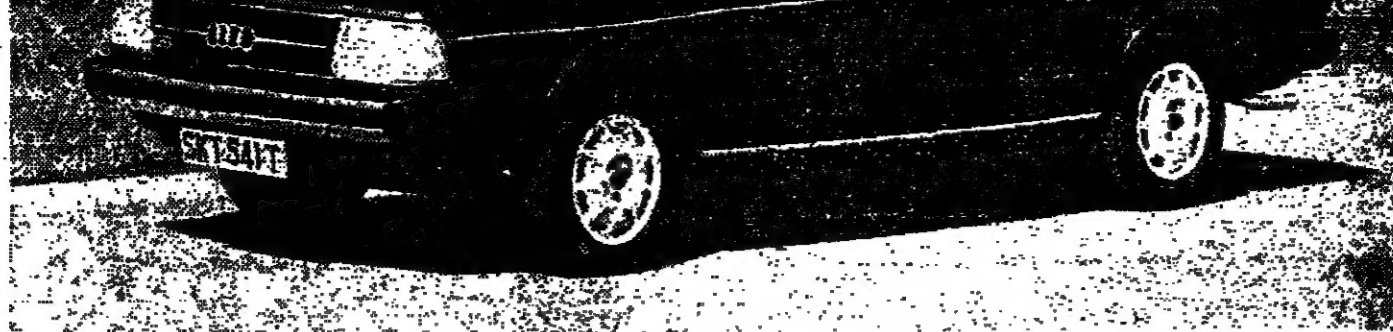
to be drunk standing up in a bar that seemed not to have been cleaned properly since last Bastille Day. Next time, I'll wait until I get on the boat.

On that very cold morning, the Audi started first flick. It warmed up so fast on the automatic choke that the defroster had cleared the screen by the time I had scraped the windows. From then on it ran with the almost intimidating efficiency one has come to expect of German-made executive cars.

The five-cylinder Audi petrol engine is still unique. It is of 2,144 cc capacity, produces 115 horsepower at 5,500 rpm and behaves just like a good straight-six. Whether being asked to pull in top from 15 mph (as I did when I thought I was running out of petrol on the rush-hour périphérique round Paris) or exceed 6,000 rpm in the 85 mph third gear, it is silk smooth. It runs on two-star petrol and, cruising at speeds on which I refuse to be drawn, returned 21.85 mpg.

The Audi's natural cruising rate is between 90-95 mph and it requires self-discipline to hold it down to a motorway 70 mph. If this is done, and the instrument panel is watched carefully, the consumption drops to between 24 and 25 mpg, and the cruising range per tankful goes up to 300 miles or more.

It is a quiet car. Engine and transmission noise is negligible and there is not much tyre noise on smooth surfaces. On coarsely



The Audi 100 GL SS. Its five-cylinder engine feels just like a good straight-six.

textured stretches of the auto-roads it was a different story. The roar from the Michelin XXRs was loud enough to be unpleasant.

The ride is firm without being in the least harsh, and wheel movement is generous so one can drive along roughish roads at quite high speed without getting shaken up. The only snag with the suspension are a slight diagonal rocking sensation—more disturbing to the passengers than the driver—and an occasional tremor that runs right through the car when one hits a bad patch.

Power-assisted steering is not fitted to the 100 GL SS as standard and adds nearly £400 to the price as an optional extra. I found the Audi heavy and clumsy to heave in and out of parking bays but had no complaints on the open road, and especially on motorways. It is so stable directionally that neither strong cross-winds nor speeding juggernauts make it veer off course.

The seats are big and com-

fortable, with lots of adjustment in all directions, and there is more footroom in the Audi than in almost any other car I can think of. Rear-seat passengers fare as well as those up front and three people can be comfortable on the back bench. The boot is enormous.

All the controls can be reached (even the hazard warning switch) without removing a hand from the steering wheel. The gearshift is a pleasure to use and the handbrake easy to

apply. The heater is powerful and the demister clears the side windows but the controls need fiddling with a lot on a journey. As soon as the sun came out the car felt too hot; within seconds of its going in, the heater had to be turned up again. The sheer size of the Audi's windscreen must have something to do with it.

Full marks, though, to the four-jet screenwisher and the headlamp washers which make driving on a dirty night that

much easier. But why have the wipers not been converted for the UK market? The blindspot of an unwiped top right-hand corner of the screen is awkward, especially for a tall driver.

At £7,495—or £7,825 with power steering—the Audi 100 GL SS is fairly well up-market. Just right, in fact, for the executive whose firm can afford to buy him something better than a £4,600 BL Princess but can't run to a £9,200 Mercedes 250.

Foreign motorway spies

IF YOU can't resist the temptation to break the 130 km/h (81 mph) limit on the French autoroutes, keep a sharp eye on the hard shoulder under the bridges. That is where the police lurk in small navy-blue vans, radars at the ready. They often choose the last bridge before a péage, where you have to stop to pay the toll. Just as you drive away from the booth, a policeman

waves you to one side and demands an on-the-spot fine. Going rate for being 20 km/h (12 mph) over the top is FFr 300, or £35, which hardly bears thinking about if you are holidaying on a tight budget.

Later this year the French police will deploy another weapon against autoroute speedsters. The Italians use it already—the time stamps on toll

tickets. If the difference between time of entry and departure from the motorway over the known mileage indicates that you have been breaking the limit, you stand convicted of speeding. Out will come the policeman's pad of tickets... as though using French and Italian motorways wasn't expensive enough already.

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Grey with Blue hide and Black Everflex roof, 17,500

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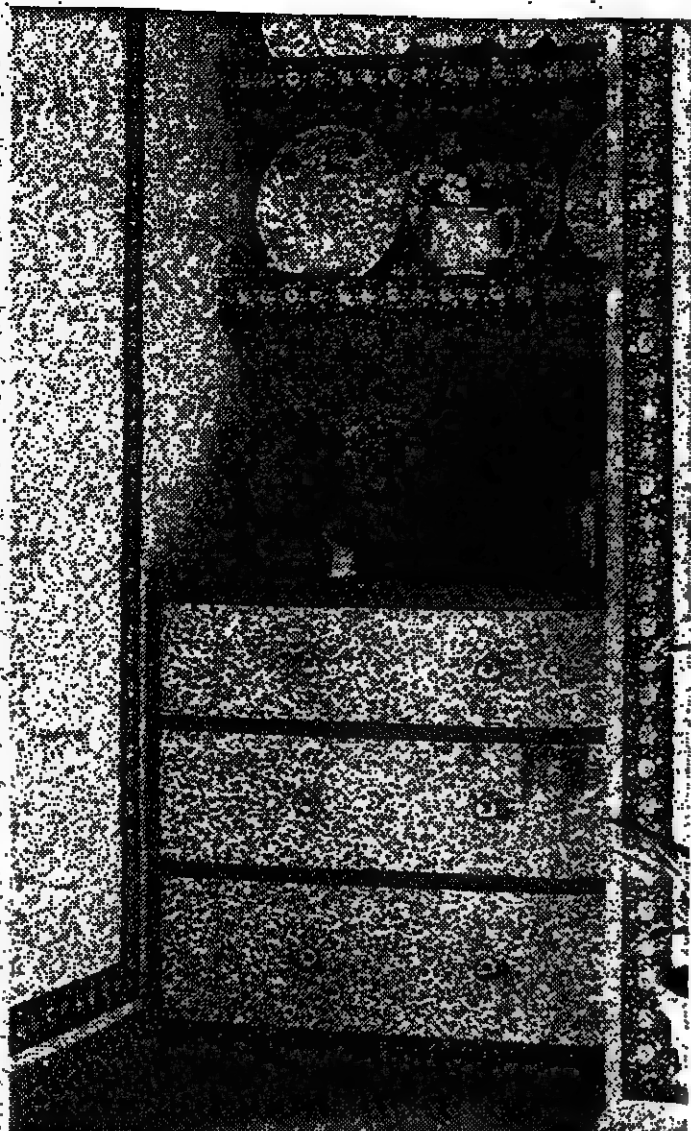
Grey with Blue hide and Black Everflex roof, 17,500

HOW TO SPEND IT

هكذا من الأهل

by Lucia van der Post

A new look about the house



ANDERSON HAS recently brought out a new collection of wallpaper, called the Cameo Wallpaper Collection, which is interesting for several reasons.

First, of all, most of the designs relate to their existing and highly successful Triad collection so that if you have already used Triad these new papers would link very well.

Secondly, each design has been produced in three different versions—standard wallpaper which normally sells at about £4 a roll, a coloured embossed version (which is about £8.00 per roll) and a plain white embossed wall covering which is about £2.30 per roll. In addition, each design has its own border which can be used to define rooms, fireplaces or a distinction (as in the photograph, above) to a fairly ordinary set of built-in shelves and drawers.

Embossed wallpapers have been rather out of fashion for some time now but they have

several practical advantages—they are immensely useful for areas where the walls or ceilings are uneven as they disguise bumps and bad finishes. They're useful for ceilings and the white embossed papers can be rendered waterproof by painting over them with gloss paint (marvellous for bathrooms!).

In the photograph, above, wallcoverings from the existing Triad collection have been used in conjunction with the new embossed paper. Dimity, a Triad design, is used in the alcove and to cover the drawer fronts while Dimity, the embossed collection is on the walls. Dimity border has been used to pick out the edge of the alcove and shelves.

Below, Sanderson has developed the border theme by producing borders to complement the famous William Morris designs. This design is called 'Larkspur' and is edged with Lily Border.

Spring is not far off and it's just about now that the manufacturers of wallcoverings and linens, of paints and fabrics, become convinced that, as one nation, we all turn to doing up our houses. The handymen in our midst are meant to be getting busy at doing-it-themselves, while others who are either lazier or more

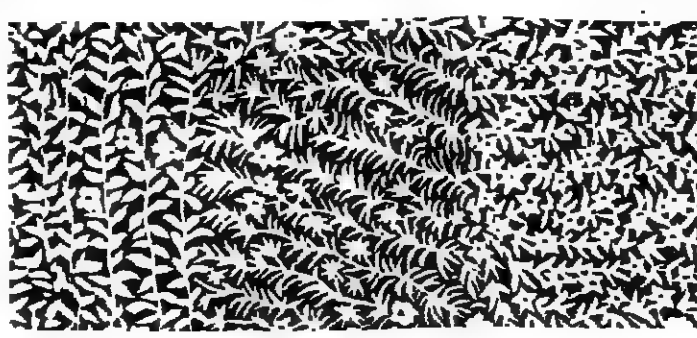
fortunate, manage to persuade other people (for a sum) to do it for them.

Whether or not the manufacturers' myth is based on fact, it's certainly true that round about now is the time when most of the newest designs are launched. If you do feel that your house could do with some kind of face-lift for spring—

whether it's a complete room that needs redecorating or you just feel like splashing out on some new bedlinen or curtains—then now is the time to start thinking about it and to get your eye in by looking at the newest collections. Here is a selection of just some of the newest furnishings that are either in the shops now or are coming in shortly.

MOST people know the John Lewis shops and associate them with good value but not everyone knows that they initiate many of their own designs. Some of their in-house fabric designs have become classics and have sold in hundreds of thousands of yards. Their designers seem to have that happy knack of interpreting fashionable trends and transforming them into eminently usable, perennially sought-after designs.

The Jonelle collection of wallcoverings is particularly attractive and extremely reasonably-priced. If you are looking for something very rarefied, the furnishing equivalent of the small, exclusive boutique, then the Jonelle wallcoverings are not for you. But if you want attractive, inexpensive designs



that will wear well, are easy to use and have an up-to-date look without being avant-garde, then do take a look at the new Jonelle ranges.

I particularly like the new collection of ready-pasted vinyl wallcoverings. I'm not much good at anything remotely connected with do-it-yourself (I

always claim I gave it up back in the days when the rawplug was an exciting discovery) but those of my friends who are tell me that the Jonelle papers are exceedingly easy to put up.

All the ready-pasted vinyls are about 11 yards by 21 inches, all cost £2.95 a roll and, of course, most of them have been

designed to tone in with, or complement, the existing Jonelle furnishing fabrics.

The new designs are very fresh and pretty; those looking for plain wallcoverings (from experience I have found this a very difficult area) should find their two new plain colours—a good straw and oyster—very useful additions to the existing natural, gold, pink, brown and green.

Among the patterns I liked best are Hilary, a charming small chintz-like design, and Whitby, which is very fresh and rustic and Katie, shown here.

You can find the Jonelle wallcoverings in all the department stores of the John Lewis group except John Barnes, Hampstead; Robert Sayle, Cambridge, and Caley's of Windsor.

IF YOU haven't yet heard the name Dolly Mixtures, I can promise you you soon will. Dolly Mixtures is one of the biggest new ranges to hit the home furnishings scene in the last few years.

Linda Beard is the designer behind the range and she has managed, at the cheaper end of the market, to do what people like Designers Guild do much more expensively at the rarified end of the furnishing scene.

Dolly Mixtures was originally a collection of designs for the wallcoverings of the Coloroll group—John Bray, Coloroll's Managing Director, spotted her and had faith in her—but since then its success has been so phenomenal that the range has been enormously expanded so that those who want that newly fashionable concept "a totally co-ordinated room" can choose from the Dolly Mixtures range.

From wallcoverings the obvious next step was to put Dolly Mixtures on to fabrics and for some time now many shops have been offering the two sides by side. They have been such outstanding value—the wallpapers selling at £2.95 a roll, the fabrics at £3.25 per metre—that they have been outselling many established ranges.

The basis of the success of the collection lies, I think, in the fact that it is so eminently usable. Almost any of the papers would look lovely in almost any room. You don't need to be particularly gifted



Linda Beard, above, the designer behind the Dolly Mixtures collection



or clever to choose a different, but related fabric to tone with the wallpaper to give any room a special look. The look it achieves is soft, pretty, slightly nostalgic.

For those who like the Dolly Mixtures approach it will be even easier in future to furnish a room when the complete range of Dolly Mixtures furnishings is available towards the end of May.

Dolly Mixtures designs are now to be used on a range of bed-linen, curtains and blinds all of which will be manufactured by Albert Hartley.

Thirteen of the most usable of the Dolly Mixtures designs have been chosen to be used, in different ways, for this related bed-linen range. The designs have not simply been copied straight onto the linen—Albert Hartley sensibly asked Linda Beard herself to suggest how they should be used and in several cases they have been scaled up or matched up with contrasting borders.

The pillowcases, for instance, may be either plain, or they may feature a cameo surrounded by mini-flowers, they may have a plain side and a bordered side

so that the appearance of the room may be altered. The total effect, therefore, is free from the banality that comes from too repetitious a use of an identical design, as you can see from the picture of a room, above, in which the Treddier design has been copiously used.

The complete collection will be on sale in large department stores at the end of May—in the meantime the collection of wallcoverings and fabrics will give you a very good idea of just how delicate, how pretty and how very usable Linda Beard's designs are.



We've had advance notice for some months now that the slim-line look was in. Pencil skirts, pinched-in waists, staggeringly high heels—all these horrors of the fifties were, we'd heard, about to come back. Well, as long as we were able to convince ourselves that these were just confined to the exclusive boutiques and big-name designers it didn't seem too much of a threat. Now, however, we've got to admit it's really here. The look has hit the chain-stores. The lady in the photograph above is clothed entirely (apart from the hat, which I'm told is her own) by Marks and Spencer, not usually known for being ahead of the fashion field.

The show-collared suit is in polyester/viscose and it has the fashionable long-line look, the belted waist and the slimline skirt that we're all going to have to get used to fast. The suit comes in two different lengths, and the whole outfit will be on sale in larger branches of Marks and Spencer from March 21 onwards.

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Add a dash of inspiration

BY JULIE HAMILTON

DO YOU ever have an urgent need to cook something different? Do you search your cookery books and find nothing to satisfy that urge? Do you want to create your own dish but know not where to begin? Share my secret. It has ended

Pork and prawn surprise — serves 4

Here is an example which offers great scope. Take the method of Chicken Kiev and use the following ingredients.

4 tablespoons oil and 4 oz butter for frying (or a deep fryer), 1 lb pork fillet whole (tenderloin as some butchers call it), 1 egg, 3 oz cornflakes finely crushed (instead of toasted breadcrumbs), flour for coating.

For the stuffing you will need: 4 oz butter, 3 sprigs parsley, 2 cloves garlic, 1 lb unpeeled fresh prawns (6 oz when peeled), small piece of lemon peel.

Prepare the stuffing first. Make a garlic butter by combining the finely chopped parsley with the crushed garlic, the very finely chopped or grated lemon peel and the butter. Work these ingredients until you have a smooth, creamy mixture. Peel the prawns and divide into four portions: divide the garlic butter likewise.

Using a wetted tablespoon and knife, mould the butter and prawns into four rough spoon shapes. Place the shapes on a wet plate and chill thoroughly.

Now prepare the meat. Cut the pork into four pieces of approximately 3 inches long (roughly 5 oz each). With a very sharp knife cut each piece

less possibilities and greatly reduces the chances of failure. Just take the method of one recipe and use the ingredients of another. Or take the method and use the ingredients of your own choice. In all honesty you can say that the result is your own creation.

almost in half down the length of the thinnest side so that you can open the meat as you would a book.

Place one piece at a time between greaseproof paper and bash it hard with a small, heavy pan until it is very thin and appears to be twice its original size.

Place the now chilled prawns and garlic butter in the middle of each piece of pork and fold the meat up as you would a parcel, securing with thread and leaving a large bow for easy untying when cooked. To prevent the butter from getting too soft, put each portion in the fridge when ready. Beat the egg on a plate. One at a time, coat each meat parcel first with flour then with egg, making sure all surfaces are well covered but the bow is left free. Then coat in the finely crushed cornflakes and press the whole firmly in the palms of your hands. Re-chill and leave in fridge until you are ready to cook.

Heat the oil and butter on a fierce heat and fry each parcel until golden brown, turning continuously for approximately eight minutes, or deep fry at 175 deg. C. Place on a warm serving dish and keep hot while you enjoy the first course. Serve garnished with lemon wedges and salad.

Mystery starter — serves 4-6

For a first course you can create your own version of Taramasalata. Instead of smoked cod's roe try anchovies or, even more original, ham off-cuts, to which you could add your favourite herbs and mustard.

6 thin slices of crustless white bread, 1 small onion, 2

Perfect for an after-theatre hot dinner, or for the busy cook who has little time to spare in the morning and is weary in the evening: take the method of steak and kidney pie but choose your own ingredients. Pork and/or veal can be used and you can add almost any vegetable except the leaf varieties. This is my version.

1 lb puff pastry (can be frozen), 12 oz mushrooms, 4 oz thick bacon, 1 large onion, 1 medium-sized potato, 1 lb pork and/or veal, 1 wine glass of white wine, dried marjoram, 2 tablespoons flour, salt and freshly ground black pepper

Cut the bacon into small cubes and fry with the onion, finely chopped. When the onion is transparent, add the marjoram and wine. Stir and remove from heat.

Put the meat into cubes and place in a mixing bowl. Add the mushrooms whole. Sprinkle the flour, plenty of freshly

50 per cent cotton/50 per cent polyester and if you want a fitted bottom sheet in a toning plain colour almost all good linen departments will be able to match them up.

The existing range of Monitor Designs can be found at shops in the John Lewis Partnership, Lewis's, as well as Richard Williams in the Leicester area, and Bedroom Window Shops in Scotland. Towards the beginning of May the new spring designs will be coming in and they are very exciting—Mignon is photographed right and is in very soft, delicate colourings of apricot flowers on soft browns, blues and greens.

A king-size duvet cover is £25, double-size is £19.50 and single-size is £13.75, while matching pillowcases are £3.50.

Soak the bread in water. Place the ham, mustard and

coriander (or anchovies) in a mortar and pound with the onion and garlic until it resembles a pulp (or put it all in a blender).

Add the bread, well squeezed out. Mix thoroughly. Add the olive oil, not too fast, mixing vigorously all the time. When you have used half the oil, add half the lemon juice. Continue the process, finishing with

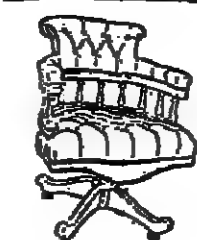
lemon. The more olive oil you use the thicker and richer the mixture will be. If you have to do this by hand rather than in a blender, it is necessary to push it all through a sieve when you have finished, thus ensuring it is smooth and creamy.

Taste and adjust seasoning if required. Serve with toast or hot French bread.

Aphrodite's delight — serves 4-6

level tablespoons caster sugar.

Put the cream in a mixing bowl and begin to whisk slowly. Combine all the other ingredients in a jug, gently add them to the cream, whisk gradually, increasing speed until the mixture thickens just enough to hold a soft form. Be very careful not to ruin it by over-whisking. It takes a little while to begin to thicken, but once it starts it goes fast and must be closely watched. Put into tall wine glasses and chill. Serve decorated with a langue de chat.



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BOOKS

Making of White

BY C. P. SNOW

In Search of History, A Personal Adventure by Theodore H. White. Jonathan Cape. £8.50. 561 pages

Theodore White has had a wonderfully interesting life. It couldn't have happened, quite as it did, anywhere but in America. Not because he was born desperately poor and became famous and rich; that is common enough in all kinds of societies, including our own. But there is something essentially American about the snakes-and-ladders quality in his experience, above all his capacity in his sixties for wonder about it all. Most people, even those who have had adventurous lives, tend to regard the ladders on which they have climbed with comparative equanimity. They take their own societies for granted. White doesn't take his for granted. He still looks at it, as dazed as Miranda on Prospero's island, as though it were a brave new world.

That is one of his charms, and he has many. He is also one of the most virtuous. This is a book where an admirable personality beams through. Maybe one needs a little familiarity with America to follow some of the political detail, but that applies only to a fraction of the book. He was a child in the Jewish ghetto of Boston. In the depression, the family survived on relief, more inadequate and more humiliatingly administered than anything the most impoverished in modern England could now imagine. His father died young. The rest of the family were strict Jews and kept the ritual prescriptions, when they had enough dimes to eat anything or think about subscriptions at all.

The young White was very bright, and struggled through to a good education—probably a better one than a boy so destitute would get today in Boston or Manchester (what he calls the "unintended consequences" of good intention hadn't yet set in). He earned dollars selling newspapers on trolley-cars. As a star student of the Boston Latin school—a ruthlessly competitive institution—he got a place at Harvard, and the minimum of subsistence. By a curious chance, and against academic opposition, he read Chinese. He had the luck to find one good teacher, emerged with top honours, won a travel-

ling scholarship, went to China. That was the start of one of the most brilliant journalistic careers of our time.

In Chungking, Chiang Kai-Shek's headquarters, he began by working for the Chinese information service. He had, it is clear, abnormal energy and resource. He was only 33. His Chinese wasn't really workable; at Harvard he had learnt it like a dead language. He wasn't sophisticated. He had had the most restricted of upbringings. More important, he wasn't one of those who are born wise; but had to learn wisdom as he went along. But he was very clever, interested in everything, better at understanding politics than people, and psychologically tough. He became a war correspondent, though not at all of his qualities, and he doesn't tell us that he was pretty intrepid, as he must have been.

He rapidly decided, though he was working for Time, and had become a protégé of Henry Luce, to whom Chiang was the hope of the world, that that was the great American illusion. Mao was going to prevail.

White was himself a mild liberal, but it wasn't that which decided him. He just knew competence, will, the facts of the situation when he saw them. That got him into bitter trouble for many years. Anyone who guessed right about the Mao-Chiang struggle became a security risk, one of those who lost China. In cold blood, that seems one of the most extraordinary and disastrous collective hysterias of the age.

So he parted from Time, wrote a successful book on China, but couldn't get an appointment on a respectable newspaper. He came to Europe, surveyed the progress of the Marshall plan, wrote articles, scraped a living. But he had an enviable gift for writing a successful book whenever bankruptcy was looming. He and his wife and children seem always to have lived handsomely. Back in America, he became chief political editor on The Reporter. Max Ascoli's journal, in megalomaniacal fashion, Ascoli was invulnerable to pressure. It took a brave man to employ a person as unorthodox as White (that is not a supporter of Chiang) in the days of Joseph McCarthy.

White wrote more books, including some novels not good enough for his talent which nevertheless sold well. Invisibly

his reputation as one of the shrewdest of political analysts was growing. Even though unemployable as a journalist, he became on confidential terms with Presidents, among them Eisenhower, of whom he has an unfashionably high opinion. This led White to conceive of a study of Kennedy's 1960 Presidential campaign. The result was *The Making of the President* and world renown.

It is heartening to read of the triumph of a good man. This is a book which radiates pleasure, or even more the feeling that life, in spite of the horrors of our time, is still worth living. The book also radiates candour. Most autobiographies are rationalisations or fakes. This isn't. White doesn't conceal that, when he was clambering up by his fingernails, he was not over scrupulous. Being a sensible man, he doesn't reproach himself for that. He does reproach himself that, when he had become something of an influence, he didn't show more moral courage. He exerted himself, and harmed by it, a State Department acquaintance who had told the truth about China and been victimised.

White feels now that he had himself all the equipment to fight the battles of similar men. But he didn't. He relapsed into the safer study of American politics. He blames himself too much. If all our records were as clean as his, the public life of the West wouldn't look so dingy.

He tends to see most people as rather larger than life. That is a good fault, and gives a romantic exaltation to his life story. But he does take it somewhat too far. One feels that any President in American history, Garfield, Polk, would have had magic for this born admirer. So with any four-star General. Often White gets America out of perspective, in particular its military power.

Like almost anyone who has mastered the fine structure of politics, he gets intoxicated by the charm of politics itself. Yet it is not there that the greater part of our destinies is decided. White has learned much, but retains certain patches of generous minded innocence. That doesn't matter. Even the most hard-boiled of readers would come to the end of his book with affection and respect.



Blind Pew and Jim Hawkins—one of Merryn Peake's illustrations reproduced in the book reviewed below

Peake show

BY ISOBEL MURRAY

Peake's Progress: Selected Writings and Drawings of Merryn Peake. Edited by Maevie Gilmore with an introduction from John Watney. Allen Lane. £8.50. 576 pages

In the early 1950s, writer, painter and book illustrator Merryn Peake found his career in the doldrums, and unfortunately turned to the theatre. The long drawn out failure of that venture precipitated the tragic illness that gradually wracked him from his onset in 1957 to his death in 1968. Two years later, a retrospective exhibition of his work was held in the Bodleian, there is a flourishing Merryn Peake Society with a regular journal, and his books are eagerly snapped up in new editions, while the scarce original volumes fetch astronomical prices on the rare books market.

Why then such a dramatic and rapid turnaround? First of all, I suppose, there is an inevitability about it. As writer and graphic artist, the fields where I know him best, Peake's genius is particularly individual. The Great British Public had to get used to it, and didn't know Peake couldn't afford to wait. Now his Gormenghast novels sell widely in paperback, and his inspired book illustrations are re-issued frequently.

Peake is an acquired taste, then, although today's youth, without the prejudices of their parents' generation, have no trouble in acquiring it. But the revolution in appreciation would have taken much longer, without the untiring efforts of the widow Maevie Gilmore. Sacrificing her artistic career largely to his, during his lifetime and since, she has promoted the Peake revival, publishing a memoir, advising biographer, scholars and editors. Now she sets the seal on her efforts with a vast anthology—incidentally a great bargain by present day standards—Peake's Progress.

Profusely illustrated, indeed a "Selected Writings and Drawings," it covers a lifetime's work, concentrating on the less well known. Thus it provides the perfect vademecum for the enthusiast or the new enquirer. Sensibly, Maevie Gilmore has not only ransacked her crowded files, but also reproduced poems, prose and pictures of high quality that have hitherto been available only in price-limiting editions.

Reading it now, one is tempted to curse the play *The Wot Wot*; not because it is less

than fine, but because Peake invested in it so much energy, vitality and time. The cast, with four undertakers and four bailiffs, gives a fair idea of the self-mocking farce, a mainly blank verse extravaganza. But Peake will not be remembered importantly for this.

It is interesting how much he decorated his manuscripts for the play with visual interpretations, as he did with the Gormenghast trilogy. Like Blake and Rossetti, Peake was one of those extraordinary men who is inspired visually or verbally or both, and the comparison of the versions is always fascinating. Peake's illustrations for his own work are always excellent, always illuminating, and this goes for nonsense verse as well as the more serious stuff.

Even more remarkable is the fact that a man with such a strong imagination, a man who himself declared the aims of the artist to be vision, wonder and vitality, also possessed an extraordinary gift of sympathy. If in future Peake's fiction suffers from the fluctuations of literary taste (and it will), and his serious poetry is only ever a minority taste (and it will be), and his nonsense verse fades because the taste for nonsense fades (and alas it may), Peake will survive in the end.

But I forecast he will survive continuously in his most amazing capacity, illustration of others. His affinity with Dickens is underlined by the magnificence of the *Bleak House* illustrations here; his *Treasure Island* shows how Stevenson awoke his vision, and he repaid it, richly. And he is famous for his Grimm, his Swiss Family Robinson, his Balzac.

But the best of them all were reprinted last year. In 1949 Chatto published a small volume of Coleridge's *Ancient Mariner*, which they reissued in the early 1970s. It is unbelievably right: Coleridge, one feels, would have approved. Its power is fantastic. And the draughtsmanship is superb: last year, they reissued it in a large, de luxe form which highlights this (at only £2.95), and impresses over again with Peake's ability to see from inside another writer's vision.

Tenniel, says the verse, is perennial: no longer. Methuen last year republished Peake's *Alice* (both stories), at £5.50. I cannot decide whether to give it to favoured children or save it until they are older. The only right answer is both. Peake viewing.

Texan truths

BY ANTHONY CURTIS

A Red Square: The Autobiography of an Unconventional Revolutionary by William Ash. Howard Baker. £4.75. 237 pages

Anyone who has had any involvement with BBC radio drama is likely to be acquainted with the author of this autobiography. His official title in the hierarchy is Acting Script Editor and as such he has, figuratively, held the hands of a great many aspiring playwrights while their work has first reached the air. To radio critics he is a familiar sight at playbacks and parties, always welcoming and, in his still traceable Texan tones, prompt to put forward an instant theory about the work to be heard which he will defend ably and assiduously. This same instantly theatrical manner colours his autobiography which is both entertaining and elusive.

His approach to his past is anecdotal; if the aim of an autobiography is to give the past a structure this book barely

qualifies. Yet Mr. Ash has lived through many situations since he left the University of Texas at Austin before the Second World War, crucial to the history of our time. In more shaping hands each one might have made a book on its own. He enlisted in the Canadian Air Force and became a Spitfire pilot until he was shot down and spent the remainder of the war escaping from various POW camps.

Afterwards a few terms as a PPE student at Balliol provided a hectic respite before his adventures in India as a member of the BBC's overseas service. At the same time he became a political activist, a dedicated anti-racist, formed his own communist party, left the Beeb and ultimately re-joined it in the calmer (?) waters of the Drama Department. He has never counted the cost of any thing and in his indifference to consequences shown uncommon courage. One day one of his protégés ought to put him into a radio play.

Fiction

Different chap

BY MARTIN SEYMOUR-SMITH

The Head Case by Jacky Gillott. Hodder and Stoughton. £5.50. 351 pages

A Field of Scarlet Poppies by Jennifer Dawson. Quartet. £4.35. 203 pages

Mrs. Job by Victoria Standen. Gollancz. £5.50. 238 pages

A Family Trust by Ward Just. Secker and Warburg. £4.90. 346 pages

Jacky Gillott's *The Head Case* is an ambitious novel which, although worthy and entirely readable, does not quite come off at the level of art. It would be surprising if it did, for it attempts to unite the insights contained within Mozart's *Magic Flute* and Shakespeare's *Tempest* (and other plays as well). It tries to tie together realism, comedy, magic and fantasy; too much. But if it is not surprising that it fails as a whole, it is surprising that it is so successful in certain areas.

Reggie Montis is supposed to be an unimaginative man who lives in the past. This is his wife's view of him. One day he escapes to a seaside town in Devon, where he settles down in a grotesque Guest House called Sunnybank, run by a widow called Bella Pike. Quite suddenly he becomes a different man: he responds to the records of the *Magic Flute*, which he has taken from his imaginative wife's collection. He becomes involved with the other occupants of the Guest House, and with a production of the *Tempest*. He researches the nearby archaeological site and ends up as a certain type of hero (to say what type would be to give away too much).

What Jacky Gillott is trying to do is to show that "ordinary" and apparently boring people are in fact as near to the mythological roots of life as anyone

else. This is among other things a determinedly anti-elitist novel. It is also a comic novel of manners. It is full of the right kind of feeling and compassion. But it is deeply disappointing when, at the end, it shifts into an uneasy written allegory the weight of which it cannot really bear. That is in a sense a compliment: for there is so much promise in the conception of *The Head Case* that it would be difficult for any novelist to fulfil it. Failures can sometimes be more interesting than successes.

Jennifer Dawson's *A Field of Scarlet Poppies* is sophisticated and professional—but its subject demands this kind of treatment. Basically it is about music from the point of view of the executant rather than the composer: from where does he or she get inspiration to play, and how can this fail? The author evidently knows a great deal about this: her story of a cellist who retains the gift throughout threat of war and war itself, but loses it when his marriage starts to disintegrate, when his quartet breaks up, and when international events become increasingly hideous, is powerful and convincing.

The narrative is in the second person: the cellist refers to himself as "you", in varying tones. This unusual technique is highly effective because, as well as telling us much about the musician's personality, it tells us more about the nature of music. We learn how he recovers his powers by returning to his roots, which involves him in a journey through his past and through his old loves. The language is evocative, often poetic, and the author's high intelligence is apparent throughout. Jennifer Dawson has not written a better novel since her first, the justly famed *The Ho-Ho*.

Mrs. Job is a first novel from

Canada. It is one of those stories which try to imitate it as it is really lived at its best: there is a communal called the Panisocracy (this is the name of the Utopia South Coleridge and some others in posed to set up when they were young men, and the heroine called Mrs. Job but the really Mr. Job because she is "unliterate" and wants love from men cracker in a (now) fairly conventional way. This is what call the new version of the called neo-picaresque, the style in which many of the novels the 1950s were written.

It has its comic moments, as a whole fails to live up to them. Too many of the characters are familiar as horses rather than comedians; the tale nearer to reality than the end seems to think. But this is not so in Canada, and the fore other English readers like myself, misjudge.

Certainly there is much writing, which is lively, or observation, I hope she to a more serious theme next to it. Ward Just's *A Family Trust* comes from America, follows the fortunes of a family newspaper. The setting is small town in the Midwest (these abound in American fiction), though seldom as vivid as Sherwood Anderson's *Winesburg, Ohio*. Ward Just is experienced writer (six books including three novels), and knows the sort of ingredients to add to a family saga: greed, murder, lust, moral sentiment. The mix here excellent, and the account the founder of the paper, An Rising, has elements of an serious psychological study. A readable "epic" quite fit to be seen on the television the John O'Hara rather than the Sherwood Anderson tradition.

Malgudi man

BY K. NATWAR-SINGH

The Dark Room by R. K. Narayan. Heinemann. £4.50. 210 pages

The English Teacher by R. K. Narayan. Heinemann. £4.50. 194 pages

The Bachelor of Arts by R. K. Narayan. Heinemann. £4.95. 264 pages

The Mahabharat by R. K. Narayan. Heinemann. £4.50. 199 pages

Re-reading these three reissued novels has given me very great pleasure. Not many novels bear re-reading. Narayan's novels originally published nearly 40 years ago have lost none of their charm or liveliness of colour.

India is grateful to Graham Greene for introducing R. K. Narayan's work to the world, by helping to find a British publisher for *Suami* and *Friends* in 1955. I am indebted to E. M. Forster, who a quarter of a century ago asked me "to read Narayan." Ever since I have been a devotee.

The little town of Malgudi on the banks of the gentle Sarayu river is now well established on the literary map of the world. So are the characters—Chandran and The Bachelor of Arts, Raman and Mrs. Shanta Bai of The Dark Room and the unfor-

gettable Krishna and his wife Leela, who dies so young. But these two are able to communicate through a medium, eventually by themselves. Narayan is himself very highly psychic and *The English Teacher* is his most deeply felt novel.

The figures of his fiction, even at their worst do not poison life. From time to time they suffer from a disease which might be called "ridiculous." While cursing the outrageous nature of their situations and predicament, they have no desire to change the world. They are content if they leave it no worse than they found it. They slip out of life without too much ceremony. Sorrow and joy, success and failure, love and its perils are all taken philosophically and with delightful lightheartedness. But a sense of tragedy saves them from degenerating into comic scepticism.

The world of Malgudi retains its sanity because those who inhabit it have attained a rare degree of inner-achievement—long as it is, the *Upanishads* and *Upanishads* together in condensed to 178 pages with no essential ingredient missing. It is extraordinary achievement, no way inferior to his *Upanishads*, the other great Hindu epic he gave us some time back. Adults and children will find it equally rewarding.

R. K. Narayan is one of those

writers who not only create literature but re-affirm its relevance to every-day life without resort to cheap gimmicks. What reader has not an author whose creation are not dispensations of his pervers and who don't down on the psychiatric every time "panic and anxiety" grip them. Narayan proves that it is still possible to convey love and beauty and joy, sexual bliss and frustration without resort to four-letter words, and to simple, flowing prose.

His 11 novels are *Upanishads*. He is devoted to his art. He is a "progressive," as Malgudi "have no meaning relation to his work." But and detachment, yes. As a commitment to causes, he was 71 in October 1978, has been given us a second-rate. The sources his creative inspiration have run dry. The *Mahabharat* is latest proof of his genius. It is an epic of 100,000 verses, written long as it is, the *Upanishads* and *Upanishads* together in condensed to 178 pages with no essential ingredient missing. It is extraordinary achievement, no way inferior to his *Upanishads*, the other great Hindu epic he gave us some time back. Adults and children will find it equally rewarding.

In short—Liquid gold

The Money Rush by Andrew Duncan. Hutchinson. £5.95. 384 pages

In 1973, an astonishing transfer of wealth took place. The West had enjoyed increasing prosperity. Suddenly, oil prices quadrupled. By 1977, OPEC countries, which before, had had a mere \$8bn reserves, found they had \$145bn with the World Bank estimating \$1.3 trillion by 1985. Arab countries were saving \$115,000 a second—enough, it was estimated, to buy all the companies on the world's stock exchanges in 15 years and eight months. The London Stock Exchange would take less than 10 months, New York nine years and three months. All the U.S.'s overseas reserves could be swallowed up in under two years.

In vain did Arab oil Ministers profess they were only "simple bedouin." Politicians began to fear that the Arabs were building up a \$600bn "weapon" of short-term credits in the West, which could be withdrawn, to precipitate a financial crisis.

Within days, as the author sees it, the Money Rush—to put it so rightly—belonged in Western pockets—and the Great Oil Rush—too those sheikhs—had begun. Countries fell over each other to provide tons of military hardware, and five enthusiastic support to antique political systems, companies set out to provide prestige projects, individuals \$20,000 a year in the new boom towns.

For over a year, Andrew Duncan travelled through these new-rich countries—the last remaining places on earth where ordinary people can hope to

make a fortune without too many restrictions—interviewing the Shah and Empress of Iran, King Khalid, Sheikh Yamani, the Shah's secret police chief ("He looked like a miserable Greenpeace trying to sell rotten cabbage... No wonder he had never been put on public display"). He met those who lost millions in aborted projects, through failure to understand the alien ground-rolls. He found also that the money rush was shaking the basis on which Arabian and Iranian society stands.

Events have moved fast in at least one country—Iran—but not fast enough to undermine the book's extreme topicality. Rather, Mr. Duncan was able to identify the first casualty of the money rush: the Shah himself. He talks to Mr. Duncan with the same dispirited attitude he showed to the last. And so Mr. Duncan's journeys take him entertainingly on—through Saudi Arabia, Kuwait, Bahrain, and the other Gulf states.

Of course the author is too cynical. We all know the rush to the Gulf was for the most altruistic reasons. But apart from the frivolity and greed, the money rush has provided schools, universities, hospitals, and is laying the foundations of a new Arab world, against the day when the oil runs out. Mr. Duncan's conclusions, of ghost towns rotting in the desert, may seem ultra-pessimistic. But he has his finger firmly on the pulse of events—and we can all stand being teased—can't we?

JOHN DUNSTAN

Animals My Teachers by Dr. Michel Klein. Collins/Harvill. £6.95. 318 pages

Dr. Michel Klein is one of France's leading veterinary surgeons, well-known for his re-

markable achievements in tending wildlife as well as domestic animals.

His career has been exotic. During the German occupation of France, he was in an especially dangerous position being Jewish. During this period he helped on a farm which was a cover for his work in the Red master SOE Network, he pursued his veterinary vocation. War activities and the aftermath of war have had much influence on his philosophy of life. He feels a duty to protect the weak, cannot protect themselves, we cannot properly communicate their troubles.

Much of this book is devoted to a series of chilling excursions literally, into the lion's den but the author only first with death, so sure is he of his empathy with the wild animals of Thoiry. France's first wildlife park. We are plunged into graphic detail when we are introduced to angry jowls with their tails chewed off. The reader can take this as a hint that the book will not spare him much.

KATE MORRISON

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Prof. Alasdair MacBeath examines the realities of the problems underlying North/South debate, and makes constructive proposals consistent with the principles of a market economy, designed to benefit all concerned. British-North American Committee. 1 Gough Square, London EC4A 3DE

See Naples and sigh

BY RACHEL BILLINGTON

Lady Blessington at Naples by Edith Clay, with an introduction by Sir Harold Acton. Hamish Hamilton. £8.50. 170 pages

Lady Blessington spent nearly three years being a tourist of Naples, its environs and its people. As Harold Acton points out, the modern equivalent to such a visit would be three days. But this was the 1820s and the Continental Tour was a serious experience deserving of a serious amount of time. Her diaries, therefore, are based on more than the foreigner's superficial impressions. When she talks about the gaily and good-nature of the "lower classes," she is referring to her own servants in the palatial Villa Belvedere where she stayed over a period of years. She is not merely responding (though she does that too) to the exotic peasant costumes and wild strains of the tarantella.

Nevertheless Lady Blessington was a tourist. She was not involved in the affairs of the country. Her rare comments on the political situation do not inspire confidence: "We are told that the Italians write under the despotism of their rulers; but nowhere have I seen such happy faces." The Neapolitans whom she meets, ranging from the king himself to nothing more than less impressive central figures, are described in a purely social setting. On occasion, the litany of their charm and intelligence begins to sound dangerously like "Jennifer's Diary."

Compensation comes with her descriptions of ancient centres of tourist sights. Not so much the continuing wonders of Pompeii, Herculaneum, Paestum or Vesuvius—though the tale of a fat man being pulled up to the cauldron's mouth is superbly funny—but the sights which either no longer exist or else are no longer open to the public. These are mostly macabre or sensational or both. There is her visit to the Campo Santo, a cemetery consisting of 165 vaults into which the day's corpses, uncoffined and uncovered, were thrown followed by a good dose of

quicklime. The tourist entertainment was to peer into whichever vault was receiving that day. Describing the ghastly sight of men, women and children still unmarked by death, locked together in obscene disarray and already preyed upon by crawling reptiles, Lady Blessington's creative talents shame Mary Shelley.

She also expands with gusto on a second collection of vaults where the corpses were preserved by a chemical in the soil and put on display like Madame Tussaud's. Not only tourists but loving relatives visited them, the latter taking great trouble to keep the hair curled and clothes spotless round their grisly frames.

Apart from vaults, there was the Grotto del Cani where live dogs were used to show the effects of its "mephitic vapours" or the lunatic asylum at Aversa. After three pages describing this charming spot, Lady Blessington hardly draws breath before continuing. "Spent a most agreeable day at the Vomera, at the delightful residence of our excellent friends, the Riccardis."

Each Chamber of Horrors provokes much the same noble English sentiment of shocked disapproval. But her most derogatory tones are reserved for the "superstitions" of the Catholic church. In a marvelously vivid passage she describes watching with an English party the miracle of the liquefaction of the blood of St. Januarius. At one point the proceedings turn nasty when the weeping congregation blame the presence of "English heretics" for the blood's unwillingness to transform itself from a gluey lump. Luckily, soon after, it oblige.

All this is fascinating stuff and makes one forget the undeniable fact that this is a public diary which lacks the excitement of indiscreet revelations—or indeed any revelations at all. Lady Blessington was living at Naples in the infamous "ménage à trois" with her husband and the still young Count d'Orsay. Yet neither of them are even mentioned. Nor does she hint at the reason for

her strangely sudden removal from Naples.

Edith Clay writes in her preface that her first reason for bringing out this book was to correct the impression of Lady Blessington's character that was created by later scandals, in particular her acceptance of the marriage between her 15-year-old step-daughter and the Count d'Orsay. I fear Miss Clay was being over optimistic. A book like this does no more than show Lady Blessington had plenty of fond, well-connected, often well-educated friends, and that she writes less foolishness more entertainingly about a foreign country than the average enthusiastic tourist. (She can also turn a soulful poem when inspired by news as dreadful as Byron's death.) Perhaps, after all, it would be uncharitable to ask for more.

Her bid

BY DEBORAH PICKERING

Husbands and Other Men I've Played With, by Patricia Fox. Sheinwald, George Allen and Unwin. £3.95. 198 pages

I play with another woman's husband, twice every month, and I've had numerous offers from females I hardly know who would wish me to take their husbands in hand at the Bridge table.

Partnering someone else's more or less life partner can be regarded as a reasonable contribution to preserving the sanctity of others' marriages, because it is a universally acknowledged fact in the Bridge world that legally bound couples who sit down together at the Bridge table are generally setting up the opening page of a divorce affidavit.

Mrs. Fox-Sheinwald emphasises many other pitfalls—losing one's cool, bursting into tears in the club or private house, resorting to thumping the table, one's partner or even the opponents. No Bridge player ever forgets the woman in Los Angeles who shot her husband for trumping her—she beat a second-level homicide rap because the wise judge was himself a Bridge player.

This game is the apogee of all pastimes which lead to self-recrimination, neuroses and sleepless nights, but the writer does offer many instructive and perceptive guidelines both to the tyro and the experienced Bridge aficionado.

She takes the reader behind the scenes of championship Bridge, shares her excitement of competitions and the fun she has had with John Wayne and Omar Sharif.

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ARTS

Hobbo and Cleo and Brontë

ne man in his time plays y parts but no man ever quite as many as the late eton Hobbs. During his 54 s as a radio actor he shed 4,000 roles, as we learnt a programme about his er, *The Voice of Carleton* bs (Radio 4 UK, March 4) piled and narrated by las Cleverdon. He was ribed as a great radio actor to honour his work the s annual Drama Students' e is being renamed the eton Hobbs Award.

though only familiar with action of his output I would wish to dispute his claim reatness especially after the ce selection of snippets we d on Sunday from his most orable performances. bo, as he was always called, ideally cast as Leopardi's -protective father in Henry's play about the poet, as paranoiac, cuckolded her in the same author's e *A Very Great Man* ed, as Sherlock Holmes in dren's Hour with Norman ley as Dr. Watson, as ice Walpole being bitchy it the old monarch at id, as Turlough in the dardict Collector in *A Passage dia*, as the shattered painter om Stoppard's *Arctic De ing a Staircase*, as a lizard e *Streets of Pompeii*, to e but a handful.

a final appearance was just r a year ago when he ed the part of the Doge of ce in Anton Gill's play e the Fourth Crusade, olo. Reviewing his perance in this column I said:

"The voice still has the e and cutting smoothness of ole fleet of gondolas and it suggested the mind of a 94-year-old keeping his

followers together under extreme provocation, refusing to allow his authority to be deflected." Hobbo himself was 79.

The programme made me aware again of how authority was the essence of Hobbo's radio personality and the military precision he brought to all his work. His father was a General and he too served in the Army before he chucked it in the 1920's to go to RADA and train for the stage. He was meticulously punctual at rehearsal and he had always

RADIO

ANTHONY CURTIS

done his homework on the script which he embellished with neat annotations and underlinings. Hallam Tennayson who directed Hobbo on innumerable occasions suggested that by the end the Drama Department had come to take him too much for granted and should have given him the opportunity to play some of the really major roles like Lear or Timon. I am sure he would have acquitted himself with his customary efficiency but Hobbo was not Prince Hamlet nor was meant to be. The trouble with being merely a great radio actor is that you tend to become a foil for a great actor in all media (like Redgrave, say) when radio attempts a major production.

Had Hobbo still been alive, we should probably have heard him as one of the Roman military hierarchy in a new

radio portrait of *Cleopatra* (Radio 4 UK, March 7) by Roger Bunce directed by John Theodoris. My impressions of this lady is inseparable from memories of Elizabeth Taylor and Vivien Leigh; such knowledge of her career as I possess comes by way of Shakespeare and Shaw.

The facts, as presented in this programme, are no less sensational than the legend. She does seem to have been very similar to a modern super-star the same acquisitiveness and merciless manner of dealing with rivals even if they happened to be members of her own family, the same public display of private emotion, the same ruinously extravagant life-style. She and Marc Antony used to give interminable and wildly lavish parties to a set of people they called "the inimitable livers." From the menu it sounded as if they all would indeed have had inimitable livers by the end of the day.

The programme was content to retail the facts with the odd direct speech by Petra Davies as the Queen and people like Gregory de Pohnay, Joe Dunlop, Leonard Fenton, as her imperial lovers and attendants, each episode being punctuated by some suitably serpentine music specially composed by Christos Pittas. Both great play-wrights seem to have got her surprisingly right.

The new Sunday night serial is Anne Brontë's *The Tenant of Wildfell Hall* adapted by Allan McClelland with Rosalind Shanks as the enigmatic young widow taking over the great house and trying to remain aloof. It is early days yet but after part one all seems to be set fair for a good cry in Kay Patrick's production. I plan to sign on for the duration.

which it abounds are carefully underlined.

The cast achieves a high level of naturalness of feeling, though stiffened now and then as in the Clown and Froth's arrangement by Elbow, by a few discreet tricks of the comic trade. Martin Hatfull as the Duke manages with a strong and convincing Welsh accent, while among his firmly handled scenes, his and Lucio's (Tim MacInerney) relationship is particularly well shaded.

GARRY O'CONNOR

Treasure for Measure in Oxford

is term's OUDC production Oxford Playhouse has two strong features in its r. The first is that it has bled an especially strong experienced cast. The id is that it has a pro team of director, asidirector, lighting designer, designer, the first three the National Theatre, who gh painstaking effort have e cast to an unusually standard.

a play is a difficult one for mple and straightforward ach that the director, tian Graham-Jones, has

chosen. The setting consists solely of a raked platform with a slightly reflective white surface, on which for the most part the lighting is dim but cunningly suggestive of atmosphere. The costumes are traditional without being dowdy, and rarely does a character even sit: only Escalus and Angelo are accorded this privilege. But from the first to the last the moral debate is so skilfully handled that it is impossible to be bored, and the ironies, the parallels of wit and humour and the traces of grim humour in

which it abounds are carefully underlined.

The cast achieves a high level of naturalness of feeling, though stiffened now and then as in the Clown and Froth's arrangement by Elbow, by a few discreet tricks of the comic trade. Martin Hatfull as the Duke manages with a strong and convincing Welsh accent, while among his firmly handled scenes, his and Lucio's (Tim MacInerney) relationship is particularly well shaded.

GARRY O'CONNOR



The first international puppet festival to be held in London opened yesterday at the Young Vic with a performance of Rumpelstiltskin by the Jacinto Young Vic Puppet Company, pictured above. This production uses life-size puppets, using puppets, glove puppets and marionettes. The festival will run until the end of March. Other companies appearing at the festival including the Bolshoi Theatre from Leningrad at Sadlers Wells; Bread and Puppet from the U.S. at the Riverside Studios; Triangle, a Dutch company, at the ICA; the Hungarian State Puppets at Logan Hall; and the Christopher Leth company at the National Theatre.

THEATRES THIS WEEK

Bits and pieces, mostly. The RSC gave three lunchtime performances of an attractive little revue, *Alone Yes* (reviewed Wednesday) and two of a monologue *Invisible Man* (reviewed yesterday). The Royal Court gave a show in their garage of plays by young writers, *Baby Talk* (reviewed Wednesday), and at lunchtimes at the Soho

Poly, two Arrabal pieces played in rep (one reviewed Wednesday). The main event of the week—GLOBE—*Joking Apart*. Alan Ayckbourn less funny than usual in a rather strained view of the effect of too much talent on the neighbours. Nice performances by Christopher Cazenave and Alison Steadman. (Reviewed Thursday, Friday).

... AND NEXT

On Tuesday next week at Hampstead, a new play by John Byrne. Scotland's latest discovery, *Normal Service*. On Wednesday at the Olivier, the delayed premiere of Tolstoy's *The Fruits of Enlightenment*; and on Thursday a conflict of thrillers, *The Crucifer of Blood* (adapted from the Sherlock Holmes tale, *The Sign of Four*) at the Haymarket, and the veteran Agatha Christie's adap-

tion *A Murder is Announced* back at the Vaudeville. Note also a week's run by the Albion Band in a riverine fantasy at the Riverside Studios; a verse play, *Hoagy*, Bix and Wolfgang Beethoven Bunkhaus at the King's Head in Upper Street, N.1. At the Liverpool Everyman, *No More Sitting on the Old School Bench* by Alan Bleasdale; at the Contact, Manchester, Brecht's *Scheuren in the Second World War*.

Edward Bond premiere

Edward Bond's first play to be premiered outside London since 1973 opened for three performances on Thursday night at the Newcastle Playhouse. It is only the second of his major plays in a contemporary setting, but whereas *Saved* made the playwright's reputation in its harsh study of urban desolation, *The World* continues Bond's discussion of the violence of capitalism, the arrogance of subjective truth and the need, as he sees it, for radical political change against a background of strikes and terrorism in an unspecified industrial location. It

THEATRE

MICHAEL COVENEY

is a vivid piece of work, beautifully written and boldly conceived. It also marks the end of Mr. Bond's Northern Arts Literary Fellowship and his recent close association with the students of Newcastle University.

Although the company is all-student, Mr. Bond has produced, with designs and lighting by his regular collaborators, Hayden Griffin and Andy Phillips, on a bare stage covered in white tarpaulin, the company directors gather to toast 25 years of successful business while the 4,000-strong work force is on strike demanding a 30 per cent wage increase. After drinks, back-slapping and a discussion on how a man may learn to trust himself, the managing director, Trench, is abducted by terrorists while reading poetry. It is almost as if Bond has started to write like Howard Brenton.

When freed, Trench finds himself ousted in a Boardroom putsch. This precipitates an interesting line of character development, as Trench invites his colleagues and their wives to a final dinner at his country house where he is to unveil a painting of the Board. Trench uses the occasion to flail the world that has victimised him: with a flourish, he unveils a joke fairground painting with two holes for the heads of plump hithers. In a magnificently hysterical climax, one of the directors sobs uncontrollably, while one of the wives strips provocatively. The surface



Graham Blockey

By this time, we have met Bond's other chief character, Trench's employee Terry, a union militant. Terry moves centre-stage in the second act, where another kidnap — of a company chauffeur — is unrelated to wage demands. For the directors and the police, the strikers and the terrorists are one and the same thing, symptom of an identical malaise. Terry refuses to toe a humanitarian line and end the strike in exchange for the chauffeur's life. "When the chauffeur's worth as much as the passengers is when we'll have a common humanity."

There is much to dispute and ponder in the play and, just to make sure that we've got the message, Bond gives a girl terrorist a long speech about the two worlds, defined as the world of appearance and the

world of reality. In the first, she says, there is right and wrong, the law and good manners. In the second, which controls the first, machines and power. The revolutionary should adopt the laws of the second in order to annihilate the first. She then disappears with the rest and Trench shoots the bandaged chauffeur. Finally, Terry, with his wife and baby, sits on a park bench wondering what else he has to do. Terry, not the girl, suggests Bond, is the true revolutionary.

In Trench and Terry, Bond has created two memorable characters, and the play, spiritedly performed by the students—especially by Graham Blockey as Trench, Dave Spear as Terry, and Ken Price as a devious but deft director — must surely re-surface in a London production.

CONCERTS

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£3.50, £3.00, £2.50, £2.00, £1.50, £1.00 from Hall 01-928 3191 & Agents
Management: Innes and Williams Ltd.

London Philharmonic
Philharmonia
during the coming week for the following series in
THE 4 ORCHESTRA SERIES
ROYAL FESTIVAL HALL
Tickets from Royal Festival Hall Box Office (01-928 3191) & Agents

Thurs. 12 April 8.00 p.m.
ROYAL PHILHARMONIC
Walter Welte
Elisabeth Leonskaja
Royal Philharmonic Orchestra Ltd.

Sun. 15 April 7.30 p.m.
ROYAL PHILHARMONIC
Walter Welte
Royal Philharmonic Orchestra Ltd.

ST. JOHN'S, Smith Square. THURSDAY NEXT 15 MARCH at 7.30 p.m.
NEW LONDON CHAMBER ENSEMBLE
Wagner: Overture, 'Der Meistersinger'
Tchaikovsky: Triple Concerto
Beethoven: Symphony No.4
Please note change of soloist & programme.
£4.20, £3.60, £3.00, £2.40, £1.80, £1.20
AVAILABLE FROM 12 MARCH

Wagner: Overture, 'Egmont'
Beethoven: Triple Concerto
Beethoven: Symphony No.5
Krumpholtz: Concerto for Violin and Viola, K.364
Krumpholtz: Concerto for Violin and Viola, K.364
£4.20, £3.60, £3.00, £2.40, £1.80, £1.20
AVAILABLE FROM 15 MARCH

JAMES BLAIR conductor
KEITH PASCOE violin STEUART EATON viola
Tickets: £2.50, £2.00, £1.50, Unreserved £1.25 (students £1.00) from St. John's (01-222 1051) or Agents.

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THE MAGIC FLUTE
RICHMOND THEATRE
Monday to Saturday, 12 to 17 March at 7.30 p.m.
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LONDON CORNETT AND SACKBUT ENSEMBLE

JOHN LANGDON organ
conducted by DAVID TURNER
IBERIAN REQUIEM with music by Victoria, Guerrero, Lobo, etc.
SALVE REGINA and MAGNIFICAT for double choir and instruments by Victoria
Tickets: £2.50, £2.00, £1.50, £1.00 from Box Office 01-928 3191 & Agents
Management: 1885 & TILLEY

NEW CHAMBER SOLOISTS

Conductor: DAVID JOSEFOVITZ

GEORGE MALCOLM KENNETH SILLITO

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with Geoffrey Parsons piano

Purcell, Mozart, Brahms, Strauss, and English songs
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Management: 1885 & TILLEY

John Eliot Gardiner

ENGLISH BAROQUE SOLOISTS

Handel: Acis and Galatea

DG Archiv 2533 396/7

Concert performance

SATURDAY 31 MARCH at 7.45 p.m.

TICKETS: £3.50, £2.50, £2.00, £1.50, £1.00 from Box Office 01-928 3191 & Agents

Wendell Society 01-535 5754/4103

PURCELL ROOM

TUESDAY 20 MARCH at 7.30 p.m.

NELLY BEN - OR

piano

HAYDN: Sonata in B minor, Hob.32

Sonata in E minor, Hob.34

MOZART: Sonata in D, K.576

CHOPIN: Nocturnes, Macurkas & Scherzo

£2.00, £1.50, £1.00 from Box Office 01-928 3191 & Agents

BEST PLAY OF THE YEAR

Whose life is it anyway?

THE MOST PROMISING PLAYWRIGHT

BRIAN CLARK

"A momentous play I urge you to see it"

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BOX OFFICE 01-836 8888

COMPANY NOTICES

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION LIMITED

7% Debenture Stock, 1980/83

Notice is hereby given that the REGISTERS of the above-named Debenture Stock will be CLOSED for TRANSFER and REGISTRATION from 2nd to 13th April, 1979, both days inclusive.

By Order of the Board H. J. MCTURK Secretary

48 Palmerston Place, Edinburgh EH12 5BR

10th March 1979

EDUCATIONAL

EASTER HOLIDAY TUITION. "A" and "O" Levels. Personal tuition. Ragsdale, 18, Clonsilla Gardens, London, S.W.3. 01-584 1619

PUBLIC NOTICES

SOUTHEAST-ON-SEA

Placed 9 March 1979, 5.00 p.m. Edit. due 9 September at 10.00 a.m. Total out: standing £20,000.

EXETER CITY COUNCIL BILLS

£400,000 Bill, issued 7th March, 1979 due 6th June, 1979 at 11.00 a.m. Appropriations totalled £1,600,000. £250,000 B.N. are outstanding.



The hungry of London being fed with the remains of the Lord Mayor's Banquet: Adrian Marie, 1882.

Victorian taste and sentiment

BY JANET MARSH

IF, AS I am, you are irresistibly fascinated by the auction rooms as an unending process of sifting the detritus of past ages, you will have noted two opposed characteristics of their activity. One is the heterogeneity of the collections they assemble and disperse, week by week: everyone has at some time been delighted by those surrealist groupings in local auctioneers' catalogues: "A stuffed bird (no case), a hair dryer, three button books and quantity of kitchen tools contained in a tin hat box." At the other pole is the tendency to order and isolate new categories of goods, in response to markets created by collectors. In very recent years we have seen the innovation of specialist sales of fountain pens and old carpentry tools; sale categories like photographs, mechanical music, picture postcards and glass china, now well established, are of comparatively recent introduction.

This duality between classification and chance association gives a special quality to sales of paintings in the major sale-rooms. Sales are approximately categorised by period, and by general quality ("Highly Important," "Important," "Fine," "Good" or "without epithet"). Within such general groupings, though you find a random, across-the-board assembly that

can often give much more immediate insight into a period than is possible with formal gallery exhibitions.

The case currently in point is the Sotheby Belgravia sale of "Highly Important Victorian Paintings and Drawings," which is on view all next week. The auctioneers rate so highly that they are honouring the four dozen lots with their first-ever evening sale at Belgravia on March 18. It is supplemented by a sale of a further 300 Victorian pictures (classified as "Fine") the following day.

Impartially bringing together work by artists frankly catering for the tastes of the nouveau riche patrons of Victorian commerce and by such progressive and subversive as the Pre-Raphaelites, the collection like this is an unusually frank reflection of the tastes and sentiments of the times. The instant impression is the extent to which an age which we now incline to think of as bursting with self-confidence, optimism and pride in achievement, actually suffered no less than ourselves a deep mistrust, indeed fear, of their own age and future.

The dissatisfaction is stated, of course, and boldly, by voices as varied as Dickens, Morris and Carlyle. But equally the very insistence with which other Victorians depict their own fine

qualities speaks of a need for reassurance. We have evidence enough to question the idyllic contentment of the cottager's life as it appears in these paintings by Redgrave, Hardy and George Smith. In the handsome "documentary" painting by Adrian Marie, of 1882, showing the hungry of London being fed with the remains of the Lord Mayor's Banquet, it seems legitimate to question the serene and handsome features and well-washed rags of the Victorian poor as well as the self-contented charity of the rich.

A clearer reflection of doubt in the face of the great new technology and power and wealth of Victorian England is the strong nostalgia for other times and other places. Such an escape strikes a particularly sympathetic chord in ourselves, living in a period when, as never before, taste and fashion are based in nostalgia, and everyone in the country has become a collector, grasping, as it seems, at some small illusory share in an irrevocable past.

William Morris and his followers looked back lovingly to golden ages of grace and order and craft ideals. Though it was no part of their official programme, the Pre-Raphaelites could not resist the lure of days of chivalry and romance. A more popular market—whether the new patrons of the industrial

aristocracy or the readers of the *Illustrated London News*, which paid Millais a handsome £42 for an illustration, included in the sale, to the 1862 Christmas number—was supplied by more commercial painters with fantasies of more decorative and decorous ages.

The Sotheby collection has J. C. Horsley painting a Watteauesque *Feste Galante*, and Eyre Crowe and E. M. Ward evoking the cosy interiors and literary circles of eighteenth century London. Orchardson ("Housekeeping in the Honeycomb") reveals sentimentally in the quaint world of the *Vanity Fair* period. A late, indeed post-Victorian, Henry Gifford Glindon, was obviously inspired by the Nelson centenary in his absurd picture of a young naval officer of the Trafalgar period treating two young ladies in an inn and finding himself "out of his reckoning."

Cheerful creature comforts and the Medical magnificence of imaginary sixteenth and seventeenth century settings, too, outlived the age of popularity. "Cardinal pictures" I suppose are still painted somewhere to this day; and it is a nice conceit in Sotheby's to classify as Victorian a genre picture of Elizabethan navigators, "Planning the New Venture," dated 1822.

CHANEL

12.15 pm. Puffin's Play (10.30 The Life and Times of Grizzly Adams. 6.30 Happy Days. 6.00 Saturday Action: "The Last Day of the War." 12.00 George Hamilton V. A Spy. 12.00 George Hamilton V. A Spy.

GRAMPIAN

8.00 am. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran. 8.30 pm. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran.

GRANADA

8.30 am. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran. 8.30 pm. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran.

HTV

8.00 am. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran. 8.30 pm. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran.

SCOTTISH

8.00 am. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran. 8.30 pm. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran.

SOUTHERN

8.00 am. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran. 8.30 pm. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran.

TYNE TEES

8.00 am. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran. 8.30 pm. Sesame Street. 10.00 The Saturday Morning Show. 11.00 Taran.

THEATRES

ALDWYCH. 8.35 5404. Info. 536 5332. ROYAL SHAKESPEARE COMPANY in "The Taming of the Shrew." 7.30. Last 3 parts. BRISTOL. 8.15 5404. Info. 536 5332. "An Impassioned Evening." 7.30. "An Impassioned Evening." 7.30. "An Impassioned Evening." 7.30.

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CHESS

LEONARD BARDEN

THE ANNUAL Islington congress, now in its fourteenth year, was the pioneer of weekend chess in Britain and has always attracted a large and strong entry. Islington is the final event in the £8,000 Cutty Sark Grand Prix and simultaneously the opener for the following year's Grand Prix competition.

The 1978 Islington attracted nearly one thousand competitors, among them several of the best players in the country. Pairings are seeded according to published grades and this normally produces a true form ranked player can win, but he has to play above himself to defeat the strong international opposition.

First prize went deservedly to two of the top seeds, grandmaster John Nunn and international master Jonathan Bent, who both won their first five games convincingly then drew quickly with each other in the final round; and to the U.S.

master Tim Taylor. Half a point behind were Bent, Franklin, Hodgson, P. Littlewood, and Rumens, all national masters or experts, plus one surprise, the Oxford junior S. Hughes.

There is an impression on some of the new weekend events that the play is general and lacking in special interest. This is not so in my experience.

The problem for the weekend tournament is communication. Congresses with one round a day often issue a tournament bulletin with many of the games, and these reach chess magazines and columns. The hectic schedule of weekend play rarely permits the organisers time or more than a bare set of results and winners and many worthwhile games are never published.

As an example, take these three games which between them are of great theoretical importance for a critical line in the Sicilian Defence. White's sacrifice at move 11 was considered unsound but John Nunn's games have changed the verdict.

However, the game against Bent, where Black defends weakly, has been published all over the world because it was played in the Buenos Aires

Olympiad: the other two wins both at Islington and featuring tough resistance by Black, remain unknown.

White: J. D. Munn. Black: E. Bent. D. J. King and N. Povah. Opening: Sicilian Defence (Palkin variation). P-K4, P-QB4: 2 N-KB3, N-QB3; 5 N-QB3, P-K4; 6 N-N3, P-Q3; 7 B-N3, P-QR3; 8 N-R3, P-N4; 9 BxN, P-B3; 10 N-P4; 11 BxP, P-B3; 12 NxP.

The critical position. Nunn-Bent now continued with the passive 12... R-QN1? 13 N/N5-B7 ch. K-Q2; 14 Q-R5, N-Q5; 15 O-O, K-B3; 16 P-QN4! PxP; 17 P-QB3, N-K3; 18 P-N5 ch, K-N2; 19 P-N6, K-B3; 20 Q-R1, N-Q4; 21 Q-K2, N-B4; 22 P-N7, N-Q6; 23 Q-R2, N-B4; 24 Q-QB4, RxP; 25 R-R3, Resigns.

In Nunn-King in Round 1 at Islington, Black chose the active counter-attack 12... R-R5; 13 N/N5-B7 ch, K-Q2; 14 O-O, R-N1; 15 P-QB4! (opening up the route for the queen to Q-R4 or Q-N3). RxBP; 16 P-QN4, Q-N4; 17 P-N3, B-QN2 (17... P-R3 is the alternative but then 18 O-R1 and B-QN2 fails to 19 Q-N5); 18 Q-Q3, RxP (the best chance, aiming to get three pieces for the queen); 19 N-R3, N-N3; 20 Q-N5 ch, KxN; 21 KR-B1 ch, N-B3; 22 QR-N1, QxR ch (else

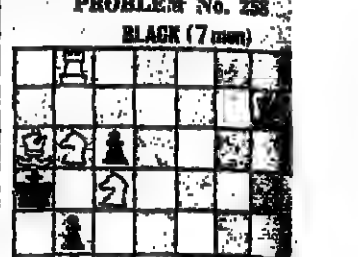
Black is soon mated); 23 KxR-K2; 24 P-R1, N-N3; 25 Q-R3; 26 P-Q4, K-Q2; 27 Q-R4 ch, K-N3; 28 Q-B3, B-R1; 29 Q-B4, B-B3; 30 QxP, P-Q4; 31 Q-R5, N-Q5; 32 Q-R6, B-Q1; 33 Q-R7, B-B3; 34 P-B6, N-Q1; 35 P4 wins.

In Nunn-Povah, Islington Round 3, Black tried an aggressive defence suggested in the Bent-Bent book on this opening. Q-R4 ch; 13 P-B3, Q-R5; N/Q5-B7 ch! (best since White now wins the QP). K-Q1, Q-Q5, B-Q2; 16 N-R3, Q-N4; 17 P-N5, B-N3; 18 Q-Q2, K-R1; 19 P-B3, B-N3; 20 Q-R3, P-Q4, R-N1; 21 Q-R2, N-Q3; 22 Q-R1, N-B4; 23 P-QN4, Q-N4; 24 K-R1, Q-N3; 25 Q-R3, R-N3 (apparently Black defended well and even counterplayed. Thus 27 Q-Q3 would allow N-N6 ch and mate. But Nunn now settles a game); 27 P-N4! N-K2; 28 P-Q5; 29 P-QB4, N-B1; 30 P-B3; 31 Q-R2, Resigns. P-B3; 32 P-N5! Q-R1 (11 Qd3 33 R-QB1); 33 P-N6 ch and pawns roll through.

POSITION No. 258
BLACK (12 mm)
WHITE (12 mm)
Dahl vs Schulz, Berlin 1978. Material is level and White play seems to have only slight positional edge; but demonstrated a forced win in a few moves. How did the game finish?
PROBLEM No. 258
BLACK (7 mm)
WHITE (7 mm)
White mates in two against any defence by Black.



White mates in two against any defence by Black.



White mates in two against any defence by Black.

BRIDGE

E. P. C. COITER

I WAS declarer in two most interesting spade contracts in recent sessions of rubber bridge. Sitting South, I dealt this hand at game all:

N. ♠ KQ ♣ A984 ♢ Q5 ♣ Q10982
W. ♠ 842 ♣ 6 ♢ Q87532 ♣ J ♢ J84 ♣ 4 ♢ AK873
E. ♠ AJ109753 ♣ K10 ♢ K10 ♣ J5

I opened the bidding with one spade and my partner, who had two clubs and East bid a modest two diamonds, which is hardly the best course of action. I rebid two spades—yes, I did—North raised correctly to four spades, East doubled, and all passed.

West led the diamond Knave, and East cashed Ace and King, switching to the club King. On this I dropped the Knave, and East, taking this for a true card, now led the Knave of

hearts. East, as I well know, is not a glib player, so I replied with one spade, and then discarded my club loser on the Ace. But owing to the heart block and the lack of any side-suit entry to the table, I could not first draw trumps. At trick five I ran the heart ten, East ruffed, and now I want two down.

Unlucky? No, badly played. I preach safety plays from the house-tops, and here I was, failing to take out an insurance policy. I could have afforded one round of trumps by playing my Ace, and that would have been enough to save the contract and the rubber. The opponents must say, went out on the next hand.

Who would have thought that East would hold two singletons? And echo answered, "Ugh!"

The second hand was much more complicated:

N. ♠ 8652 ♣ A ♢ Q74 ♣ AKQ8
W. ♠ 10 ♣ KJ73 ♢ J10942 ♣ K86 ♢ J1053 ♣ Q982
E. ♠ 4 ♢ AKQ8 ♣ 6 ♢ J5

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WEEKEND CHOICE

Every time Parliament debates the question of television its own proceedings the same tired set of objections is repeated by those who want to keep the cameras out. First it is argued that viewers are too naive or stupid to be allowed to watch MPs at work. Labour MP Lena Jeger, for instance, has said "Your MP may look shifty and squirely and you might not know that the poor man really does have bad eyes and is honest as the dawn." Then there's the fear that viewers seeing their democratically elected representatives slumped in the chamber with their eyes shut will leap to the conclusion that they are asleep when according to Mrs. Jeger they may just be closing their eyes to concentrate better. No doubt these vital arguments will be rehearsed again when Robert McKenzie presents Television Parliament on BBC2 tonight and asks "Does television intrude or is it a vital part of democracy?—C.D."

TV RATINGS

Week ending March 4. UK TOP 20 (viewers in millions)

- 1 This is Your Life (ITV)
- 2 Coronation St. (Weds) (ITV)
- 3 Coronation St. (Thurs) (ITV)
- 4 Blackadder (BBC)
- 5 Crossroads (Wed) (ATV)
- 6 The Dick Emery Show (BBC)
- 7 Crossroads (Thurs) (ATV)
- 8 Crossroads (Fri) (ATV)
- 9 Takeaway (Weds) (ITV)
- 10 Charlie's Angels (ITV)
- 11 Sale of the Century (Anglia)
- 12 Leave It To Charlie (Anglia)
- 13 A Shape Inside of Bread (ATV)
- 14 Flambards (Yorkshire)
- 15 Crossroads (Weds) (ATV)
- 16 The Dick Emery Show (BBC)
- 17 Emmerdale Farm (ITV)
- 18 Emmerdale Farm (Thurs) (ITV)
- 19 Emmerdale Farm (Fri) (ITV)
- 20 The Muppet Show (ATV)

Figures compiled by Audit of Britain for the Joint Industry Council for Television Advertising (JICTA)

Week ending March 4. U.S. TOP 10

- 1 Three's Company (ABC)
- 2 Love and Shirley (ABC)
- 3 Happy Days (ABC)
- 4 Mork and Mindy (ABC)
- 5 60 Minutes (CBS)
- 6 Nightline (CBS)
- 7 The Love Boat (ABC)
- 8 All in the Family (CBS)
- 9 Little House on the Prairie (NBC)
- 10 The Mary Tyler Moore Show (ABC)

TV Radio

*Indicates programme in black and white

BBC 1

9.30 am. Feeling Great! 9.30 Multi-Coloured Swap Shop. 12.30 pm. Weather.

BBC 2

12.30 Grandstand: Football Focus. The Sixth Round of the FA Cup (12.30). Racing from Cheltenham (1.30). 1.30, 2.20, 2.50; Gymnastic to celebrate the 30th anniversary of the Yugoslav Gymnastics Federation (1.40, 2.10); Cheltenham Preview for the Cheltenham Championship (2.40); Motor Racing (3.10); International Race of Champions: Rugby League (3.50). The State Express Challenge Cup—Third Round; 4.40 Final Score.

BBC 3

3.10 Tom and Jerry. 3.30 News. 3.50 Sport/Regional News. 3.55 The Hardy Boys and Nancy Drew Mysteries. 6.25 Jim'll Fix It. 6.30 Saturday Night at the Movies: "Flaming Star" starring Elvis Presley. 8.30 The Dick Emery Show. 9.00 The Dukes of Hazzard. 9.30 News. 10.00 Match of the Day. 11.10 Saturday Night at the Mill. All Regions on BBC 1 except at the following times:

Scotland—4.55 pm Scoreboard.

5.10-5.30 Labour Party in Scotland Conference (report). 5.30-5.55 Scoreboard. 10.00-11.10

Sportscene. 12.00 News and Weather for Scotland.

Wales—4.55-5.00 am. Telford. 5.30-5.55 pm. Sport/News for Wales. 12.00 News and Weather for Wales.

Northern Ireland—5.00-5.10 pm Scoreboard.

6.30-6.55 Northern Ireland News. 12.00 News and Weather for Northern Ireland.

BBC 2

7.40 am-1.55 pm Open University. 7.00 pm. Saturday Cinema: "Test Pilot" starring Clark Gable.

BBC 3

3.55 The Night. 4.55 The Night. 5.15 Network. 5.45 Men of Ideas. 6.30 Seven to One. 7.00 Rock Goes to College. 7.40 News and Sport. 7.55 The Book Programme.

LONDON

8.35 am. Sesame Street. 9.35 Supermarket. 10.00 The Saturday Morning Show. 11.30 Chopper Squad. 12.30 pm. World of Sport: 12.35

Times of some BBC television programmes may be affected by industrial action.

ENTERTAINMENT GUIDE

THEATRES

ALDWYCH. 8.35 5404. Info. 536 5332.

ROYAL SHAKESPEARE COMPANY in "The Taming of the Shrew." 7.30. Last 3 parts. BRISTOL. 8.15 5404. Info. 536 5332. "An Impassioned Evening." 7.30. "An Impassioned Evening." 7.30. "An Impassioned Evening." 7.30.

The Theatre Royal Norwich faced bingo or bankruptcy. Now it is one of the most successful theatres in the country. Antony Thorncroft describes the transformation.

In December 1967, shortly after the Theatre Royal in Norwich had passed into the hands of the local council, the Ark Matalon company mounted a production of *Night of January 16th*. The company appealed greatly to audience anticipation - and intended to pick 12 members of the audience to act as jurors and to determine the climax of the play. On the third night there was a quorum in the theatre to provide the jury, and stagehands had to be called into service.

was a cinema or closed. Not surprisingly, annual attendances averaged just 11 per cent of capacity.

Condon's first step was to take a full page colour advertisement in the local newspaper. He then offered two free tickets to any hardy soul who put a postcard of the current production in their windows. Within six months there was a 50 per cent increase in attendances, and revenue, and in the 1972-73 season a £12 profit was made. Since then the profit has increased steadily, and Condon reckons that the Theatre Royal, which seats 1,274, is the only municipal theatre to be regularly in the black. Of top £180,000 has gone back into modernisation, including a computerised lighting board and new hydraulic lifting gear, probably the first installed in any theatre.

Condon is convinced that it is the publicity as well as productions which have boosted average attendances at the Theatre Royal to 72 per cent. He spends over £100,000 a year on advertising, including television, and this Christmas made a special commercial to promote the pantomime, always the top attraction of the year, with attendances over 90 per cent. To try to get the pantomimegoers to return, Condon has established 120 agents all over East Anglia (two-thirds of the

The best drama series on television in 1978, according to the country's television critics, was "Pennies from Heaven," the Dennis Potter BBC 3 creation, which mixed musical fantasy and drama. It was also voted the most original contribution to television. It beat "Edward and Mrs. Simpson" from Thames into second place, although Edward Fox, who played Edward VIII, was named best actor of the year.

The best documentary achievement was reckoned to be "The Voyage of Charles Darwin," from BBC 2, while Jonathan Miller takes the title for the best on-screen performance for his medical series "The Body in Question," also on BBC 2. The best comedy or light entertainment award went to Kenny Everett for his "Video Show" on Thames, and the best

audience comes from outside Norwich), and there are plans to link them up through a computerised booking system.

As for the presentations they run the gamut from the National Theatre, coming soon, to Sleuth currently running, from Kent Opera to a group of Turkish clog dancers. Many plays call off at Norwich on their way to London, mainly standard popular fare. And the theatre mime they run for just a week. Condon would like Norwich to initiate more productions—it has mounted the conventional Joseph—and has his eyes on one of the many superfluos Norwich churches to act as an outlet for workshop productions. There is not the money to set up a repertory company, and the theatre is too large, anyway. But the Theatre of Norwich, has never been the most adventurous theatre in the country. It is quite happy to be one of the best run. Condon's success has already attracted the eye of Edinburgh where he is a consultant on the reviving of the Playhouse Theatre. He has no time for fancies far removed from popular taste, nor for institutions with no knowledge of running a theatre. He is a traditional impresario, taking some risks but basically giving the public what it wants and making sure they know where to sit it.

single play was reckoned to be "The Spongers" by Jim Allen which was shown on BBC 1. The best actress was Geraldine McEwan for her role in "The Prime of Miss Jean Brodie."

For the first time there was an award for radio. It was won by Radio 4 for its investigative series "Checkpoint." Jimmy Young was a close runner-up.

Solution to Position No. 258
 1 P-K8, BxP: 2 B-Q4, P-B3
 (If P-N3: 3 Q-K5, or if B-B3;
 3 QBxR: 3 Q-N4! K-B2 (BxB;
 4 QxQ, or P-KB4: 4 QxP mate);
 4 KR-K1 and wins.

Solution to Problem No. 258
 1 B-Q3 (threat 2 N-N7), R-Q5;
 2 Q-R1, or if B-Q5: 2 N-B4, or
 if N-K6: 2 R-R2. Traps are 1
 B-B1? R-Q5 or 1 B-B4? B-Q5
 or 1 B-K2? N-K6.

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Third time unlucky applies equally to two great British explorers, Captain Cook and Sir John Franklin. Franklin, discoverer of the North West Passage — well-known to Londoners for his statue in Waterloo Place — sank again in 1849 on his third Arctic voyage, never to be seen again.

His disappearance inspired numerous contemporaries to launch search parties until, among relics of the lost expedition, was found an account of his death and an Eskimo woman reported that members of his party fell ill and died as they walked. Pictured again is Franklin's Indian guide and friend, Chief Akaitcho and his son who accompanied him on his first Polar voyage, illustrated in his *Narrative*, a first edition of which will be offered for sale at Christie's on Wednesday, March 14th, together with the *Narrative* of his second voyage and many other accounts of expeditions of his contemporaries and those who valiantly searched for him.

No less horrendous was Cook's death on his third fateful voyage 68 years earlier when he was murdered by the Cannibals of Hawaii. Fine sets of his *Voyages* are included in the same sale of Important Natural History and Travel Books.

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Saturday March 10 1979

Levitation in the City

TO THOSE who keep their eyes on what are laughingly known as the fundamentals, the financial markets have in recent weeks been giving what looks disturbingly like a demonstration of the Indian Rope Trick. Aided by little more than an accumulation of institutional cash, the smell of an election and a high spot price for oil, the markets and sterling have risen in a dizzying fashion. To some extent this can be seen as a recovery from the exaggerated gloom of the winter; while it is still not clear who runs the country, nobody supposes that it is the pickets. However, there is now more than relief in the air. This is a bull market which is trying to tell us something; the question is whether its message is nonsense.

Incentive

There are certainly some obstinate facts to discourage airy optimism, as we have pointed out several times recently. The newest factor is the hope of an early election and a change of Government. This seems less than realistic in two senses. First, despite yesterday's reported threat from the Scottish Nationalists, the minority parties have been much enjoying their enhanced influence in a closely-balanced Parliament; polls which suggest a political landslide give them some incentive to preserve Mr. Callaghan in office until he can run a somewhat closer race, and it certainly cannot be taken for granted that they will not yield to this temptation.

Furthermore, a change of Government will not work instant miracles. The present Government has been following a basically conservative financial policy, and public spending is being driven up not by ambitious planning, but by welfare payments, public sector pay adjustment and the rising cost of debt service. There are remedies, but they are not quick or easy.

The rise in oil prices, while it hurts the British balance of payments much less than the balance of competing countries, does little or nothing to relieve cost pressures. So far as the strength of sterling is due to it, it intensifies simple pressures and so speeds up the process by which oil is substituted for net industrial exports. The squeeze on profits and the growing difficulty of competing in export markets are established facts; they make an odd backdrop to a runaway equity boom. Temporary membership of the hard currency club is no doubt a refreshing change, but it is not all good news, especially since the most reliable reward, lower interest rates, cannot be enjoyed until the fiscal balance is brought under tighter control.

Finally, relative peace at home on the wage front has been bought at an excessive

and unknown cost, while peace in the Middle East is at least as problematic as ever. Against this sombre background of political realities, one must try to assess how far financial events can themselves affect the future, and so prove self-justifying. The interaction between financial and "real" events is a two-way affair, and there is no doubt that the rise in the markets and in sterling has some encouraging effects for the short term at least, provided that it can be held.

While profits are squeezed, the rate of inflation may now fall below forecast, as it did after the previous recovery in sterling. Real incomes and real consumption will thus be higher, and thanks to sharp improvement in the terms of trade, the balance of payments need not suffer unduly from a fall in the real growth of exports. The much more efficient to record surplus, despite falling exports and rising imports in volume terms. The same J-curve effect will work for us for a time.

Meanwhile, the rise in the stock markets is itself a stimulant to the economy. Every wave of buying by the institutions is a transfer of cash to the dwindling band of personal investors, and has a broader wealth effect on those who remain in the market, directly or through unit trusts and other such channels. A further rise could enable companies to issue equity to fund some of their debt, and even Government borrowing should be somewhat less burdensome. The longer leading indicators, in short, have turned up.

It is the balance between these favourable financial effects and the relatively unfavourable political background which is almost impossible to strike. Some point euphoria turns to vertigo; the turning point could be a political event—perhaps a Budget which is judged too ambitious for financial comfort—or simply a run-down of institutional liquidity.

Opportunity

In short, we are at one of those unstable points where the ball could roll either way. If the outcome is to be favourable for more than a few months, we must hope that the sharp increase in competitive pressure, combined with a reasonable rise in real incomes, will be more effective in producing sense in the labour market than it was in the present wage round; and we must also hope that the Government in office will not respond to some fall in activity, which is possible, by a fiscal "stimulus" which could send the whole financial structure of hope toppling. The market senses an opportunity; it must not mistake the wish for the deed.



IF SPRING is a little late this year contributors to the Times letters page may yet be able to tell readers about the arrival of the first cuckoo...

Delicate and demanding negotiations are about to begin on a formula which, if successful, will lead to a resumption of publication at Times Newspapers by April 17 at the latest. It would be rash to jump too many hurdles at once. Publication of the Times, the Sunday Times and the three Times supplements was suspended by management on November 30. It took from that day until 3.30 am last Thursday for the management and unions to agree to meet and talk about issues on which they had been unable to agree before the suspension. In the meantime, Times Newspapers has lost £7m (perhaps £10m by April 17) has dismissed 3,000 employees and been without its publications for more than three months. There is no reason to expect that all the difficult work is now over.

But the April 17 deadline—with an agreement that issues still outstanding on April 7 will go to the Advisory Conciliation and Arbitration Service for conciliation—will help to concentrate minds. So should a realisation that if these talks fail it could be the end of the last chance.

Peace talks have been so long delayed because of the unions' refusal to meet the company until the dismissal notices sent to three-quarters of Times Newspapers staff after the suspension of publication were lifted. Both sides dug in hard on this, partly to demonstrate that each was in a deadly earnest about the dispute.

The management sent the notices to all employees who had not signed new agreements with the company on December 16—the day after an otherwise acceptable formula for negotiations had been reached in talks with Mr. Albert Booth, the Employment Secretary.

This move drove the unions to form an immediate common front around a "no negotiations without reinstatement" banner. It enabled them to show more unity during the past three months than might otherwise have been possible.

The formula which has at last overcome that barrier owes much to Mr. Booth's peace-making efforts. Staff will be "re-engaged" until April 17 with 50 per cent of lost earnings as compensation and the balance paid upon permanent reinstatement when publication is resumed.

This solution satisfied union demands for reinstatement and a firm date for the resumption of publication. The NGA leaders are, however, having to negotiate to a deadline—an issue which made some of them protest noisily about duress last

year when Times Newspapers announced its intention to suspend publication on November 30.

Unions at The Times have mounted a vigorous campaign in the three months' absence of Times newspapers in an effort to keep their case alive. Their efforts have included the publication of two "alternative" journals—the Times Challenger and the Sunday Times Reporter written by Sunday Times NUJ members.

Under the formula agreed with Mr. Booth, negotiations will cover the company's demands for a new dispute procedure to tackle its serious production losses caused by official disputes; agreement about improved working arrangements coupled with a productivity deal and wage restructuring; application of new computer technology and a timetable for reducing staffing levels "subject to preservation of the principle of voluntary redundancy".

It is generally accepted that the dispute procedure can be settled—good progress was being made on this right up to the suspension of publication. No one is saying that there will never be another unusual stoppage at Times Newspapers but union leaders sincerely want to do what they can to bring this problem under control.

There will be much hard talking about reduced manning levels and improved working arrangements but the company had reached agreement with some chapels (office union sections) before suspension and more will follow. Provided the principle of voluntary redundancy remains a firm one and a timetable can be agreed, this is not a completely barren area.

That leaves new technology and the company's relationship with what Mr. William Rees-Mogg, editor of The Times, described last month as the "strawberries" of the unions, the National Graphical Association (NGA). In a colourful simile he likened Times Newspapers' attempts to negotiate changes with the unions to men trying to line up three strawberries on each of seven rusty and ancient fruit machines.

Somehow— heaven knows how—we have managed to line up three of the strawberries on two machines and we have a couple of strawberries registered on a third. Of the others, some reject the coin that is put in, however large, while one has a lemon and another has a raspberry rusted permanently on the centre of the dial.

Times Newspapers, declared Mr. Rees-Mogg, would not "surrender to the incoherent imbecility" of some of its unions. The NGA, for its part, has shown over the past three months that it is ready to "fight to the bitter end" over the Times issue. All this language of the battlefield

must now, within a few weeks, make way for the constructive tones in which peace treaties are drafted.

The basic issue is the company's demand that the "typing" of written material by NGA members into its new computerised composing system must be shared by journalists and advertising staff.

In the usual hot-metal newspaper, a journalist's copy is set into lead type by a linotype operator, who is a member of the NGA. The lines of type are then assembled in a metal frame, or page forme, by a compositor, who is also an NGA member. Both groups of printer work in what is known as the composing room.

Under the Times computer system, anyone able to work the computer keyboard, whether he be a journalist or NGA member,

will probably offer Times Newspapers during the next few weeks.

This is that all typesetting should remain under NGA jurisdiction for at least five years after which there would be a review—a solution similar to the one being followed in West Germany's printing industry. In addition the union would be prepared to allow tele-aid clerks, members of the National Society of Operative Printers, Graphical and Media Personnel (NATSOPA), to feed information into the system so that the computer can be used for accounting purposes.

What will have changed in five years? Possibly nothing, and this is a factor which Times Newspapers will have to take into account when deciding the value of the union's offer. It will also have to ponder the

efficiently unless journalists are allowed to use keyboard terminals with direct access to the computer for sub-editing.

The management may concede that NGA members should transfer most original copy into the computer, but Times Newspapers will find it very difficult indeed to sacrifice the principle that journalists should have direct access to the computer keyboard. This is because the company's system has been designed on the assumption that articles will be edited while they are displayed in electronic form, on a television screen (a Visual Display Unit) with a keyboard attached. The traditional method for journalists to make ink marks on paper proofs which are then partially reset by NGA members, but in the new system, designed to dispense with paper proofs, this method would be extremely cumbersome and perhaps impossible.

The inevitable question is whether it has been worth the costly three-month suspension of publication to bring events to the present point. Given the determination of the NGA not to give in to Times Newspapers for fear of the repercussions elsewhere in the newspaper and printing industries—the union believes its very existence is at stake—should the management have separated new technology from the other questions? Why did it threaten to sack everybody, including journalists and secretaries, if they did not sign new working agreements, and why did it wait until the late autumn before issuing detailed documents to the 56 negotiating units with which it had to deal?

Mr. Michael Mander, deputy chief executive, says the management decided to tackle all the negotiating issues at once because it wanted to distribute the benefits of orderly working and new technology fairly throughout the company. In past Fleet Street practice, each of the small bargaining units has been able to increase its pay and conditions by "selling out" restrictive practices or by agreeing to a new machine. Each local agreement tended to have a ripple effect upon other groups, with frequent arguments about working conditions and, recently, frequent stoppages.

The catalyst which speeded up Times Newspapers' negotiating strategy last year was the sharply increasing level of disruption in the group. But why was there so much delay in getting round the table? Mr. Mander says The Times wanted to agree the common points which affected all unions first with their general secretaries. "We wanted to proceed as much as possible by agreement, rather than arrogantly putting down our own proposals." However, Mr. Mander says that the general secretaries made a condition that all should attend these

meetings, but it turned out to be impossible to get them together at the same time. Although the reasons for the delay have been disputed, Mr. Mander says: "No single meeting was held up by the lack of any documents being supplied by us." It was only after it had become evident that joint proposals could not be drawn up with the unions, that the management started to draw up detailed proposals for each office bargaining unit.

But perhaps the strongest charge against The Times management was that by declaring an absolute deadline for the negotiations it had dug itself too deeply into an inflexible position.

The answer, says Mr. Mander, is that the more usual methods of negotiation seemed to be too slow. "We had been negotiating for nearly four years to bring a perfectly ordinary commercial computer into operation."

We had been negotiating for 12 years to bring in machinery to increase the size of the Sunday Times to 80 pages. The negotiations have gone on so long that the equipment is now obsolete.

Our experience seemed to suggest therefore that the alternative to setting a deadline would be negotiations lasting between four and 10 years.

The cost to the management of the lock-out has to be set against the rapidly worsening losses of money which had been caused by unofficial disruptions. Last year, up to November 30, Times Newspapers lost £2.6m because of disruption by its own employees. This compared with a profit of £2.39m which it eventually made in the period.

It is still too early to estimate whether The Times' strategy has paid off. By April 17 it is still possible that The Times will not have obtained the guarantees it is seeking.

It would then face the extremely serious possibility of having to continue the shut-down, perhaps for a very long time.

There is no doubt that The Times could prolong the lock-out until next autumn if it needed to, and it is still possible that it could be forced into a longer siege. It could not, however, hold out indefinitely. It would start to lose its journalists and other key staff; its publications would lose readers to new as well as old competitors; and finally the management would come under pressure to sell its newspaper titles.

The Times management must therefore be under very strong pressure to settle the dispute by April 17, even though in the stirring words of Mr. Rees-Mogg: "The Times will not surrender and The Times will not be destroyed. It is only by agreeing, by reasonable men talking together that a fair and efficient settlement can possibly be reached."

Letters to the Editor

Rates

From Mr. W. Burridge

Sir—It is probably the arbitrariness of their decisions that causes many people to yearn for rate reform, although rates are as sensible a way of raising local revenue as any. One aspect of this is the political complexion of the borough in which a householder happens to live. Socialist controlled councils have long since recognised the simple truth that their entrenched majorities depend upon those who are not affected by the level of rates so that the ratepayers can be happily milked without electoral consequences. This is certainly not democratic in any true sense of the word and does not apply to national government.

In addition to having a national standard for assessments, legislation should be introduced to limit the rate charged to within say 5 per cent of a national average, which could take account of the difference between town and country boroughs.

Unless something along these lines is done, the time will come when no sane person will purchase property in an area where there is an entrenched Socialist majority. This indeed is what some councils appear to want, without considering who will fill their pork barrel. Moreover, it is useless to talk of urban renewal etc. while at the same time driving house-holders out of the inner suburbs into areas which are more equitably governed.

William Burridge.
Tottenham Road,
15 Tottenham Road, NW2

Creditors

From Mr. J. Taylor

Sir—I see from your issue of March 6 that Mr. Hartley has responded to the published letters of Mr. Kirkham, Mr. Allen and myself.

He is obviously much concerned to protect the smaller creditor against the holders of floating charges, but I wonder

if their position overall is quite as bad as he makes out. He mentions *pro rata* payments by way of dividend for all creditors as being fair treatment, but he must accept that in the majority of cases the bank will be the greatest loser, merely by reason of the fact that it has the most at stake.

Let us look at this matter from a different viewpoint, accepting that, in general, creditors maintain an on-going relationship with their customers. If we take as an example a creditor supplying goods to the extent of £12,000 per annum on a 20 per cent write-up, i.e., cost of manufacture £10,000, then his profit from this single line of trading is £2,000 per annum.

If he allows two months credit, he will have an average amount outstanding of £2,000 at any given time and will rank as a creditor for a stake of £2,000. He is taking in £2,000 worth of profit per annum as a return, which equals 100 per cent per annum. Of course, the figure is greater if we take the manufacturing cost as the basic figure, or if the mark-up is greater. This compares very favourably with the return accepted by the bank, which might be no more than, say, 5 per cent when all things are taken into account.

J. Taylor.
Flomke Hill,
Shamley Green,
Nr Guildford, Surrey.

Charges

From Mr. P. White

Sir—Mr. Hartley, in my view, is correct when he says that the whole of a floating charge could "grab" the assets of the business in priority to trade suppliers. If the business runs into trouble, Section 323 of the Companies Act 1948 does not provide for a floating charge to be invalid if a company is wound up within 12 months of its creation where the charge secures current cash consideration. As most bank overdrafts are continually rolling over, by the time the company gets into

liquidation the original overdraft at the date the charge was given is extinguished by monies paid in, so that if the company is wound up within 12 months, more often than not, the past consideration has turned into current consideration and the charge is good.

I think the point which has been overlooked is that charges, whether fixed or floating, are required to be registered at the Companies Registry (failure to do so will render the charge invalid as against a liquidator). Therefore any trade supplier is able to search the file to ascertain what charges exist when considering the credit worthiness of his customer.

Creditors who supply goods on reservation of title terms are not, it would seem, required to register the terms at the Companies Registry and therefore a supplier is unaware of what assets can be "grabbed" by the reservation of title supplier in priority to all classes of creditors. In the "Romalpa" case, the terms were registered by the supplier at the local Chamber of Commerce in Holland. It seems to me therefore that there is a case for reservation of title terms being registered somewhere so that they are available for all to see, coupled with a qualification on the accounts filed showing the value of assets included in the balance sheet of a company which have been supplied on reservation of title terms.

This will also have the effect of ensuring that the supplier's customers are aware of the terms under which the goods are supplied, as at the moment directors of insolvent companies often plead ignorance of the existence of "Romalpa" type creditors.
P. Granville White.
1 Wardrobe Place,
Carter Lane, St. Pauls, EC4

Cars

From Mr. J. Milner

Sir—The costs to companies of running and providing cars might be reduced if the private

use of the vehicle was fully paid for by those having the benefit of private use.

J. J. Milner
83, Gough Way, Cambridge.

Liberals

From the Liberal Prospective Parliamentary candidate for Chichester.

Sir—It is said that Paul Hawkins MP (March 1) has been so unimpressed over the last five years as to notice no difference between the first three years after February, 1974, and the subsequent period of Liberal support for an agreed programme.

For the record, the former was a period of rising inflation, sharply rising unemployment and a predominance of legislation, enacted to appease dogmatic socialists or the unions. The latter was a period of sharply falling inflation, relatively static unemployment and mercifully little partisan legislation, together with some fiscal changes that, if introduced by Conservatives, would have raised howls of protest from the Labour benches.

While Liberals had some responsibility for the latter period, the former can be attributed to the short sightedness of recent Conservative administrations. For it was they who left the electoral system in such a state that a Labour Government was returned to unfettered power, even though it obtained less than 40 per cent of the votes cast at both 1974 elections.

I feel safe in guessing that most European Liberals, who are supplied, as at the moment, by Mr. Hawkins, so greatly prefer, must be far more astonished at the Conservative leadership's apparent willingness to continue an electoral system that all too frequently forces the country to submit to a period of unrepresentative and extreme socialism, than at the UK Liberal Party's agreed programme for the period from March, 1977.

Liberals seem to prefer us to Mr. Hawkins and his colleagues. Perhaps they find a Parliament-

tary Party that, like us, supports individualism and competitiveness, is somewhat hypocritical when it comes to supporting a cosy "buggins turn" electoral system, whatever the cost to the country.

John Rix
Woodhouse,
Healdy,
Nr. Bordon,
Hampshire.

Pharmaceuticals

From the Director,
Association of the British
Pharmaceutical Industry

Sir—Having just returned from a business trip abroad, I have only just seen your report of February 28 of Viscount Davignon's address to the first general meeting of the European Federation of Pharmaceutical Industries' Associations (EFPIA) which I attended.

Your heading "Commission warning to drug companies" and the ensuing report did not truly reflect the views expressed by the EEC Commissioner. Industry representatives at the assembly were encouraged by Viscount Davignon's acknowledgement of the contribution the pharmaceutical industry has made both to improvements in health care and to the economy of the community. I was somewhat surprised, therefore, to read in your columns that this industry had been "warned" of the consequences of failing to consult with the commission, thus implying that Viscount Davignon regarded it as a potential danger in this respect. Nothing could be further from the truth. The commissioner, in fact, exhorted the industry to define strategy which would, at the same time, meet its social obligations, rather its own interests and advance the principles laid down by the Treaty of Rome.

The United Kingdom industry represented by my association has a long record of consultation and collaboration with government and as a member of EFPIA, wholeheartedly welcomes the invitation extended by Viscount Davignon. I am

sure that my European counterparts would subscribe to this view in respect of their own national industries. Only the day after Viscount Davignon's address a consultative meeting took place between officers of the EFPIA and members of the EEC Commission and this undoubtedly will be only the first of many as we respond to the commission's challenge.
(Dr.) R. B. Arnold,
162, Regent Street, W1.

Spending

From Mr. T. Arthur

Sir—Michael Ryan (March 7) disputes my figures for the growth of real spending on health and personal social services in the past fifteen years, giving an alternative and much lower figure from the Department of Health and Social Security Annual Report for 1977.

My figures were taken from the publication "2002: Britain Plus 25" published in 1977 by the Henley Centre for Forecasting (p.80) where the source given is Social Trends. According to the tables therein, expenditure on hospital and local authority services (which constitute the vast bulk of the total) multiplied by a factor of 7.19 in the fourteen years to 1975/6. Over the same period the retail prices index multiplied by 2.76, giving a "net of inflation" expenditure multiplier of 2.61. In my view this justifies the statement of "trebling in fifteen years."

Perhaps Mr. Ryan would like to say whether his figures or mine represent the "easily established facts." I hear from time to time of public expenditure being calculated in "funny money," under which a Department calculates its own price indicator according to its own expenditure, rather than using a general index. Perhaps the difference lies there.
T. G. Arthur
3 Yalcley Road,
Edgbaston, Birmingham

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Confident but not euphoric for 1979

TAXI stands in Geneva and you that Switzerland is a territory for the motor industry because it is one of the few countries in Europe out its own major car manufacturer. Cadillacs, Datsuns, Austins, Mercedes, Opels, so on roll up to collect customers. No single dominates the roads.

at is why the Geneva Show, which finishes row, provides a use-seeing point at the begin- of the year for the stry's executives to bounce off one another. They as equals, not on ground them considers "home." how do they view 1979? e is no euphoria but a let nitude. The consensus is the new number plate t in Western Europe in ight be just a little up st year's 10.03m and those say it might go down say n't go down very much.

ong the big manufacturers, West Germans have been ing the most hesitancy t prospects, but that is not ay they are in any way. Their attitude reflects itial problems in Germany wing the revolution in Iran, the subsequent rise in oil s.

ce again there is some pres- for speed limits to be ed on German motorists, thing the industry is re- g. Nobody really knows badly this would affect the an high-performance car ys—like BMW, Mercedes, Porsche. After all, the try's autobahns provide the roads in Western Europe ave no top speed limits.

e Germans argue that there need for patric action be- the oil price is just rising ere it should be and when simply been at artificially evels because of the glut pplies.

Germany is the biggest of the individual European markets with 2.6m new cars registered last year. Even if there are no speed restrictions imposed, the manufacturers are not too sure that sales will this year match those of 1978.

There are external factors which might dent the prospects in European markets. In particular, another dive in the dollar's value would have a painful effect because European economies are so closely tied to it.

However, Herr Klaus Vancan, Volkswagen's export director, says: "Currently there are no black spots among the major volume car markets in Europe. And in Germany the manufacturers' expectations are higher than they were two months ago."

Italian view

The Italian view is also influenced by the after effects of the changes in Iran. Sig. Umberto Agnelli, who recently took over responsibility for Fiat's car business, told me he believes the Western European market will grow 1 1/2 to 2 per cent this year even if the oil price rises by 10 per cent. But an increase of 20 per cent, which has been suggested in the past week, would probably mean there would be no growth or perhaps even a fall in new car registrations.

As for Italy itself, Sig. Agnelli reckoned that the market was a little behind some other countries in catching up from the set-backs after the 1973 oil crisis and should remain strong in 1979. Registrations last year totalled 1.52m.

Britain is the only major market outside Germany where some manufacturers feel the record 1978 registrations will not be matched this year. The official line, from the Society of Motor Manufacturers and Traders, is that they will pos-

ibly decline slightly from last year's 1.59m.

However, the Society insists that the fall in registrations towards the end of 1978 "did not represent the end of the car sales boom" in Britain. And many of the UK executives at the Geneva show have been forecasting sales in their home market of between 1.65m to 1.8m in 1979.

A typical French view came from M. Jean Baratte, chairman of the executive Board of Automobiles Peugeot who believes that if there are no major upheavals 1979 registrations in France should be in line with last year, which in turn was a pretty good one for the industry and produced new car sales totalling 1.945m. Peugeot is plumping for a "slight increase" in total European car sales.

One of the more optimistic people at the show has been Mr. Walter Hayes, vice-chairman of Ford of Europe. He is confident that European car sales are in for a third near-record year in a row "and that has never happened in the European motor industry before."

He forecasts registrations could reach around 10.3m in 1979 compared with 10.03m last year. "The European life style demands that people should have a car. And when you compare the cost of competitive transportation, travel by car is still a bargain."

Among the smaller markets, only those in Scandinavia are likely to remain trouble spots this year. But the local manufacturers, Volvo and Saab, say they will increase production in 1979 because of export expectations.

Austria, where registrations were heavily down last year because of a well-signalled increase in the VAT on cars encouraged customers to buy in 1977, should be back on an even keel again. Taking the 1977 and 1978 figures together,



the Austrian market still shows a steady upward rise in demand.

Most of the European car manufacturers are currently expanding capacity a little, often by the fairly simple process of getting rid of bottlenecks in their production processes. But no one will admit to the kind of dramatic expansion planned by Ford of Europe.

Ford is looking for a site for a new assembly plant—and that would mean adding capacity of at least 200,000 units, the minimum the group would consider economic. It will be some time before the company will decide where it will site the proposed new plant or what car it will assemble in it, according to Mr. Hayes. The group is looking at various potential

manufacturing sites, not primarily to see where it could get the biggest government handouts, he insists: "After all, the European Commission has laid down criteria about grants for the whole of Europe."

Ford is much more concerned about such things as the availability of labour with the required skills, the infrastructure of the region where the plant would be sited and the cost of getting components to it and cars from it.

Mr. Hayes pointed out that Ford would not need the plant until the mid-1980s at the earliest and so it was still uncertain about which segment of the market—for small, medium or large cars—would grow fastest.

Ford is convinced that by 1985 the Western European car market will rise to between 11.3m to 11.5m a year and if it is to maintain its current 13 per cent share it will need extra capacity around that time.

It is generally accepted by industry economists, however, that there is currently excess capacity in Western Europe representing a potential 2m cars a year.

But Ford is not interested in looking for capacity in the wrong place. In any case, the way Ford of Europe is structured and is heading—towards one-model car plants—suggests that it needs to start any new project from the green field up.

For this reason, according to Mr. Hayes, Ford is not inter-

ested in playing a part in the further restructuring of the European industry which nearly everyone agrees is bound to come sooner or later.

In this context, the question of BL's survival as a volume car manufacturer in the UK is still a talking point and without exception the Continental manufacturers say they want to see the former British Leyland group recover quickly. BL's penetration of Continental European markets is disturbingly low and it will take some time to regain the confidence of customers and dealers.

The group is putting on a good display in Geneva and its products to most eyes look a match for any of the other major manufacturers, with the possible exception that the Marina is beginning to seem a little dated.

It will not be until late in 1980 that the new Super Mini arrives on the scene and 1983 before the Marina replacement puts in an appearance to revitalise the BL car range. One Austin Morris man described the position graphically: "It is like trudging slowly across the desert towards a range of mountains there will be water and food. The problem is to get there."

problems in several of the volume markets—such as Italy, the UK and France—and must tread warily. The only European countries in which they expect to do better this year are Switzerland and Holland, countries with no local industry to protect, and West Germany where the local manufacturers are so strong they apparently need no government protection from importers. It is hard to guess, however, how long this view will prevail in Germany because last year the Japanese pushed hard and lifted their market share to 4 per cent from 2.5 per cent in 1977.

As for Europe as a whole, Mr. Masahiko Zaitzu, the director responsible for Nissan Motor's European operations, gave a typical Japanese view. He expects his group will sell about the same number of Datsuns in Europe as last year—about 230,000.

Disputes

To some extent, the Japanese have benefited from the shortages the European manufacturers have been failing to meet in their own markets, shortages caused by production problems and industrial disputes. Indeed, nearly all of them started in 1979 with order books stuffed full.

They have experienced three very buoyant years while other industries in Europe, such as steel, chemicals and textiles, have suffered one crisis after another since the 1973 oil price increase.

Yet, as Ford's Mr. Hayes says: "This is an industry nervous of being bullish." But it is difficult for an outside observer not to be bullish about the industry's prospects for 1979. Any major reversal in the European economies would probably not show up in car sales until 1980.

Weekend Brief

Inter

ly enough, among the first- the biggest chill at the set of fuel shortages and price rises are the ski resorts. Most ski s are, by definition, a long rom anywhere, and all of are fuel-hungry, swallow- ll and electricity to pro- not showers, ski lifts and ooms to the world's 20m- kers.

crisis winter of 1978-79 hurt some ski areas and only just during the past r that traffic has really ed to boom proportions. s year, after a long period ecession, British tour opera- have seen bookings pour ome 250,000 Britons may ome abroad to ski this- t.

fuel and heating costs con- to soar, however, not only skiers face much higher costs, they may also find me of the £10 a day lift t in prestige resorts much r. Needless to say, this skes gloom in the valleys of Tyrol, the plushy new ts of the French Alps, and wide open country of the clean Rockies.

day's ski resort is no longer a sideline for a few moun- farmers. Many are £15m- investments by big corpora- . The Sunley group runs 3,000 in France, Twentieth-ury Fox owns Aspen, rado, and XTV, that our stock of the 60s, owns is trying to sell. Steamboat e Rockies. A big ski lift cost £1m and most of the r resorts have several. ave spent the last few days resort operators around r who are beginning to s the likely cost of another crisis. How do they feel t lift? "It could make rado a disaster area."

lubbling

iver

some two hundred years British were unquestionably pagne's leading customers ad. Indeed, we almost ted dry champagne; for the eh mostly favoured it t to drink at the end of a i, but our paternal ancestors 'd not forego their glass of prandial port. Then when 1874 vintage produced a ritable brut champagne, bly from Pommery, we took rinking it through the meal big way, until as recently 973 we imported a record million bottles; nearly all but now mostly consumed n aperitif.

en came the oil-inspired d and our intake dropped mere 3 million bottles, and were passed first by the ans and then by the gians. Nevertheless cham- e drinkers here have been ing back to regain our tional lead. In 1976 we owly passed the Belgians at post, though their figures t surely be swollen by EEC igrants in Brussels, and in 7 we were a mere 3,000 les behind Italy's 7.3 ion. Now the 1978 figures,



With no oil it could be cold comfort apres ski

just issued from the Comité Interprofessionnel in Epervan, show that while we have not yet beaten the Italians, we put on nearly another 900,000 bottles to a total of 8,157,964—a 12 per cent increase that leaves us just 19,000 behind the Italians.

It used to be said that the Italian figures were slightly suspect, as quite a lot found its way over the frontier (at Chiasso) into Switzerland. But it has now been discovered that on the parallel market a small but unquantified amount can be more profitably re-exported from here, particularly to Belgium and Germany. This leakage does not, however, seriously diminish our claim to drink one in six bottles of champagne exported from the Marne.

The ayes have it

The Bahama Islands this year will celebrate 250 years of parliamentary democracy. The event, ironically, comes at one of the lowest points in the political history of this former British colony. In effect, all parliamentary opposition to the governing Progressive Liberal Party (PLP) has collapsed.

The situation is one that worries even the government. As Deputy Prime Minister Arthur Hanna observed in the House of Assembly recently: "No government can function at its best without an effective opposition."

Mr. Hanna's complaint was about the Bahamian Democratic Party's (BDP) lacklustre performance since losing the 1977 general election.

Demoralised by the PLP's win of 30 of the 38 House seats, BDP members have bickered publicly over party policy, introduced important measures then abandoned them without debate, and found themselves voting at odds on major issues.

Last December one of the BDP's six representatives, fed up by what he said was the "lack of action and poor judgment" shown by the party's leadership, quit to serve as an Independent.

The Opposition's "scandalous disarray," as BDP Leader Henry Bostwick has called it, began shortly before the election, when the then Opposition Free National Movement (FNM), split over the choice of a new Leader. The FNM's political fortunes had improved considerably in the previous two years, as the Government grappled with corruption, an excessively high unemployment rate and open rebellion within its parliamentary ranks. But coming just

seven months before the election, the rupture proved disastrous both for the FNM and the offshoot BDP, who won only eight seats between them. Despite its large majority, the Government has for a number of reasons taken relatively little advantage of the vacuum created by an ineffective opposition.

With the official Opposition virtually silent, the only resistance to government policy has come from the small but well-disciplined Vanguard Socialist Party, led by 38-year-old Dr. John McCarty, a political science professor at Indiana's Purdue University.

Founded eight years ago, the Vanguard is older than the other two opposition parties, although it has no parliamentary representation. Its goal is the establishment, by force if necessary, of a socialist state "free of exploitation." It claims the PLP is corrupt, neo-colonialist and no different from the white government it displaced in trying to perpetuate the interests of a privileged few.

Largely because of their close socio-economic and geographic association with the United States, Bahamians have shown little enthusiasm for the Vanguard's brand of politics, Russian-style uniforms or self-designation as "comrades." The party's four candidates in the last election received only 55 votes.

The government however takes seriously the party's potential for exploiting the tensions created by heavy unemployment among the country's predominantly young and largely unskilled work force. "The Vanguard is not a viable opposition at the moment, but they are not to be ignored," Prime Minister Lynden Pindling has said. Last month Dr. McCarty announced he would be resigning from Purdue in May to return home and mobilise the Vanguard for the 1982 general election.

Whether the Vanguard can extend its influence over the next three years remains to be seen. One immediate consequence of the Deputy Prime Minister's criticism of the BDP has been formation of a new organisation "dedicated to preserving the principles of democracy" in the Bahamas. Known as the National Council for the Protection and Promotion of the People's Right and Freedoms, it comprises former PLP representatives, members of both the BDP and FNM as well as civic and religious leaders.

The Council claims to be non-political. Many see it, however, as the first step towards creating a unified and viable opposition to the government in the next election.

Meal ticket

One of the great gustatory mysteries of modern America was solved recently—but it was the New York Times's restaurant critic has not lost her gourmet marbles, it looks as though few will be happy about the unravelling.

Piquancy was aroused to an extraordinary degree by an curiously long article in a recent edition of the New Yorker magazine by John McPhee about this wonderful restaurant in the country outside New York City where, the author said, 20 or 30 of the best meals he had ever eaten had been prepared by one "Otto," a pseudonym for a man who lived, breathed and ate fine food. Clearly determined to protect Otto's identity, Mr. McPhee did not name the restaurant, or its whereabouts, but he left enough clues in his article to get food sleuths hunting.

And, at the weekend, Ms. Mimi Sheraton, restaurant critic of the New York Times, ran Otto down to the Pocono Mountains on the Pennsylvania side, of the border with New York. Otto turned out to be Mr. Allen Lieb and his shrine a rather modest establishment called the Bull Head Inn in Shohola.

But, unfortunately, Ms. Sheraton did not like what she ate. The best of the main courses, she wrote, was the half roast duck, but she thought the duck was frozen and in any case "consisted mostly of crisp skin, fat and bones, with very little meat and no discernible seasoning." Other dishes were dismissed as "truly awful," "bordered on the inedible," and "the worst main course was veal birds veronese—each of two skewers held three or four small roll-ups of dry tough veal wrapped around almost raw bacon, which in turn enclosed clumps of wet bread."

Mr. Lieb said he thought things would get better in a year or so. Actually he may have pulled off a neat trick for by serving Ms. Sheraton indifferent food he may have discouraged the hordes of New York gourmets eternally in pursuit of the perfect meal. Then he can go back to serving masterpieces to Mr. McPhee and his friends.

Contributors:
Arthur Sandles
Edmund Penning-Rowell
Nicki Kelly
Jurek Martin

TODAY—President Carter flies to Israel from Egypt on Middle East peace mission.

MONDAY—President Carter continues talks in Jerusalem with Mr. Menachem Begin, Israeli Prime Minister, and the President will also address the Knesset before flying back to the U.S.

Tuesday—Two-day meeting of European Council opens in Paris. European Central Bankers begin two-day monthly meeting in Basle. European Parliament in session, Strasbourg. Scottish National Union of Mineworkers meets in Edinburgh to discuss pay offer. Retail sales (February provisional). Dairy Trade

Federation statement on EEC milk price proposals. House of Commons second readings of Local Government Grants (Ethnic Groups) Bill and of Local Government Finance Bill.

TUESDAY—London clearing banks' monthly statement (mid-February). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-February). Building Societies' receipts and loans (February). Amalgamated Union of Engineering Workers Women's Conference, Winter Gardens.

Eastbourne. Report of investigation into the fire and explosion at Braehead Container Depot. Statement by Municipal Engineers on damage to roads by snow and "false economy" by Government. Mr. Edward Heath, MP, at City of Westminster Chamber of Commerce lunch, Dorchester Hotel, London.

WEDNESDAY—Balance of payments current account and overseas trade figures (February). Basic rates of wages and normal weekly hours (February). Monthly index of

average earnings (January). THURSDAY—Scottish Liberal Party Conference opens, Corran Hall, Oban. Bank of England quarterly review. Index of industrial production (January provisional). Chemical Industries Association annual review. Mr. John Silkin, Agriculture Minister, addresses Food in the Balance seminar. Grosvenor House, London. Consolidated Fund Bill in Commons.

FRIDAY—Mr. David Steel, Liberal Party leader, speaks at Scottish Liberal Party Conference, Oban. Retail prices index (February). Usable steel production (February).

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Midland recovers lost ground to top £231m

SECOND half pre-tax profits of Midland Bank were £49.5m, higher at £143.91m giving a 1978 profit result of £231.41m compared with £196.82m in the previous year.

In their interim report last year, the directors blamed the fall in first half profits—down from £102.4m to £87.5m—on lower UK interest rates and margins and rising costs.

The year's profit includes the Bland Payne Group for its accounting year to September 30, 1978.

Basic earnings per £1 share before extraordinary items are shown at 86.5p against 81.3p and 81.6p fully diluted. A second interim dividend of 9.94166p makes a total of 16.44166p—no final is to be recommended. Last year's total of 14.75p included a second interim of 7.25p and a final of 7.50p.

Mr. Stuart Graham, general manager, said yesterday that the bank's profit outlook was for a "flat to a slight rise this year." While average base rate might be higher than last year, he pointed out that this was only part of the profit element.

There were salary demands (the bank does not enter phase four until July and there have been no negotiations so far)—other effects of inflation and much depended on volume.

Last year's profit benefited from a volume upsurge while margins were a little depressed. There had been an overall improvement in business, with the related services side very much improved.

On a company basis, the profit contribution breaks down to 48 per cent domestic, 27 per cent international and 24 per cent related services—Montagu, Thomas Cook and Bland Payne. But overall, international business accounted for something like 40 per cent of the total.

The extraordinary debits mainly comprise a £51.7m surplus on disposal of the Bland Payne Group effected by the sale of Montagu Trust and £71.44m balance of premium on acquisition of Bland Payne, mainly relating to Montagu.

Other items include £4.42m (£1.96m) expenses on issue of share and loan capital less £2.53m transferred to share premium account; £176,000 (£234,000) deficits on disposal of subsidiaries and associates; and £105,000 (£455,000) share of extraordinary items of associates.

Total group deposits at the year end stood at £13.53bn (£11.75bn) and advances (including instalment finance and leased assets) at £10.08bn (£8.42bn).

Following the merger of the Bland Payne group with Sedgwick Forbes, the assets and liabilities of Bland Payne have not been consolidated. An investment has been retained in the new group of 25 shares with a book value of £19.5m.

Midland is earning something like 13 per cent on its Bland

Payne cash now, but this and the Sedgwick Forbes dividend are unlikely to make up the profit contribution from Bland Payne so Midland will be looking round for acquisitions to use the cash from the Bland Payne sale.

Mr. Graham said there were no negotiations in prospect at the moment, however. He indicated he would like to maintain the balance, with some being invested for home profits and some for overseas.

The write-off of acquisition premium disposed in one sweep the goodwill element in the balance sheet which had been in the process of being written off over 20 years.

The bank had a better experience in provisions for bad and doubtful debts and at the year end had cut the outstanding balance at £158.6m (£171.6m). Net provisions raised came to £14.3m and £22.9m was written off.

Following changes in policy relating to disposal of British Government securities and the treatment of franked investment income, the 1977 trading surplus is 4m higher than previously stated.

SSAP 15 has been adopted for 1978 and deferred tax of £111.5m has been provided for in the accounts against a potential liability of £20.5m.

The 1978 tax charge has benefited by £40.9m and £77.1m has been released to reserves in respect of prior years of which £21.5m relates to 1977. Reserves at December 31, 1977, has been restated by the addition of £77.1m released deferred tax.

See Lex

TAIABLE profits of BSR, the record changer and player mechanism group, slumped from 20.34m to £15.17m in the year to January 6, 1979 on sales ahead from £141.67m to £159.76m.

The group was hit by stagnant volume, pressure on margins, industrial action and the appreciation of the pound, particularly against the U.S. and Canadian dollars.

There were extraordinary items of £3.04m, against £3.64m of which £2.58m represented a reduction in the sterling value of assets and retained earnings held overseas due to the pound's appreciation. Nearly £158,000 was costs incurred in closing a Judge Group factory.

However, the final dividend is lifted to 3.916p net making a total per 10p share of 5.323p compared with 4.775p in 1977.

Midway group taxable profits fell from £12.2m to £10.15m.

Commenting on the current position the directors say the sound reproduction division was affected by a strike early this year.

On the consumer product side sales levels for the first two months have improved on last year, and it is anticipated that this trend will continue.

Trading profits for the year of the sound reproduction side fell from £13.5m to £10.1m on turnover up from £101m to £108.48m. However, the consumer products division lifted trading profits from £1.35m to £3.12m on turnover ahead at £51.59m, against £40.67m.

The directors say that although unit volume sales of the sound reproduction operations in North America were up 5 per cent on 1977 the increase was more or less eliminated by the shortfall in other areas. Though prices were decreased during the year, turnover in sterling terms rose by only 5.7m because of the pound's appreciation against the U.S. and Canadian dollars.

Arrangements have been completed on behalf of Industrial and Commercial Finance Corporation for a placing of £15m of 12½ per cent unsecured loan stock 1982. It is guaranteed by Finance for Industry, the parent company, and Finance Corporation for Industry, a fellow subsidiary.

The stock is being placed at 98p per cent to yield 13.02 per cent flat and 13.15 per cent to redemption.

A total of £15m is being offered to the market and a further £15m is being reserved for its further requirements.

Dealings will commence at 2.00 on March 13 for deferred settlement. First interest payment is on September 14. Brokers are Hoare Govett.

Consumer spending over the remainder of the year. In the latest figures there is an extraordinary debit of £161.89m (£181,000) relating to Anglo's losses since the end of 1977 and its disposal.

There is a tax credit of £89,000 (£282,000) and after the extraordinary item, minorities and preference dividend, the distributable profit is raised from £21,000 to £337,000. Stated earnings per share are up from 0.3p to 0.3p.

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On the consumer product side sales levels for the first two months have improved on last year, and it is anticipated that this trend will continue.

Trading profits for the year of the sound reproduction side fell from £13.5m to £10.1m on turnover up from £101m to £108.48m. However, the consumer products division lifted trading profits from £1.35m to £3.12m on turnover ahead at £51.59m, against £40.67m.

The directors say that although unit volume sales of the sound reproduction operations in North America were up 5 per cent on 1977 the increase was more or less eliminated by the shortfall in other areas. Though prices were decreased during the year, turnover in sterling terms rose by only 5.7m because of the pound's appreciation against the U.S. and Canadian dollars.

Arrangements have been completed on behalf of Industrial and Commercial Finance Corporation for a placing of £15m of 12½ per cent unsecured loan stock 1982. It is guaranteed by Finance for Industry, the parent company, and Finance Corporation for Industry, a fellow subsidiary.

The stock is being placed at 98p per cent to yield 13.02 per cent flat and 13.15 per cent to redemption.

A total of £15m is being offered to the market and a further £15m is being reserved for its further requirements.

Dealings will commence at 2.00 on March 13 for deferred settlement. First interest payment is on September 14. Brokers are Hoare Govett.

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BSR declines £5m and again warns on margins

TAIABLE profits of BSR, the record changer and player mechanism group, slumped from 20.34m to £15.17m in the year to January 6, 1979 on sales ahead from £141.67m to £159.76m.

The group was hit by stagnant volume, pressure on margins, industrial action and the appreciation of the pound, particularly against the U.S. and Canadian dollars.

There were extraordinary items of £3.04m, against £3.64m of which £2.58m represented a reduction in the sterling value of assets and retained earnings held overseas due to the pound's appreciation. Nearly £158,000 was costs incurred in closing a Judge Group factory.

However, the final dividend is lifted to 3.916p net making a total per 10p share of 5.323p compared with 4.775p in 1977.

Midway group taxable profits fell from £12.2m to £10.15m.

Commenting on the current position the directors say the sound reproduction division was affected by a strike early this year.

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Dividends Announced

Company	Current payment	Date of payment	Corresponding div. year	Total last year	Total this year
Ault and Wiborg	1.44	June 8	1.3	1.96	1.96
Bracken Mines	2.41	May 11	2.0	4.4	4.4
BSR	3.52	Apr. 27	5.33	4.77	4.77
Davies and Metcalfe	0.48	Apr. 24	0.44*	0.73	0.68*
Downs Surgical	0.8	May 8	—	2.33	2.33
File Forge	1.69	May 11	1.45	2.49	2.23
Kinnear Mines	3.21	May 11	7	2.1	2.1
Malayan Tin	1.03**	Apr. 16	45	175	175
McCleery L/Amie	0.3	May 29	0.28†	0.5	0.28†
Midland Bank 2nd int.	9.94	Apr. 4	7.25	10.44	14.75
St. Helena	1.35†	May 11	80	180	180
H. Schell	6	May 16	4	18.52	18.52
J. Shakespeare	1.31	—	1.31	1.92	1.92
Stb. Malayan	175**	Apr. 16	75	190	190
Telefusion	0.67	Apr. 19	0.61	1.31	1.31
Winkelhaak	int. 30†	May 11	63	123	123

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 15 months period. § Directors feel increase justified in view of differences between previous interims and finals. ¶ 14-month period. || South African cents throughout. ** Malaysian cents.

(Swan Brand) and Goblin (BVC) because the sales of Judge International were curtailed by foreign imports of enamelware.

After charging interest on bank loans—down from £34,699 to £34,640—and tax of £5.22m, against £6.92m, net profit before extraordinary items was down from £13.42m to £28.95m.

See Lex

Expansion for Downs Surgical

ON SALES up from £12.13m to £14.02m taxable profits of Downs Surgical expanded to £1.35m for the 12 months ended December 31, 1978 against a previous £877,000.

The directors say that continuing to be made in improving the company's operating efficiency and management strength, and that these factors contributed to the results. They look to the future with confidence.

As February profits had risen from £425,000 to £704,000 and the directors were confident the improved performance of the company would continue.

As at December 31 earnings are shown as 6.34p (4.02p) per 10p share. As forecast, the directors are paying a second interim dividend—0.8p net, the same as the first interim—and as the year-end date is being changed to March 31, they intend to pay a final, in October, for the 15 months period. Last year there was a 0.7p interim and a 1.625p final.

For the 12 months tax took £405,000 (£276,000), there were exchange losses of £82,000 (£124,000) and there was an extraordinary credit of £40,000 (nil).

Spurred on by its burgeoning export business, Audio Fidelity reports record interim profits and is on its way to a new high for the year of around £320,000. With its specialist range of public address systems finding their way into countries around the world, including the Common bloc, the company has been enjoying progressive sales growth. But the high street retail activities, which incurred losses in 1977-78, failed to break even in the latest period despite drastic pruning. However, with good Christmas behind it retailing is expected to be back in the black for the year as a whole. The share price jumped 7p to 44p on the news giving a fully taxed prospective p/e of 4.3 and a yield (assuming 10 per cent increase) of 7.5 per cent.

Telefusion advances at midway

ON TURNOVER excluding VAT well ahead from £38.5m to £37.07m. Telefusion, the television and radio rental and retail group, lifted profits from £910,000 to £1.18m in the 26 weeks to October 1978. And the directors say that full year results will exceed those of the previous year.

In the last year end, taxable profits were down from £13.14m to £2.07m. The directors then said that consumer demand, especially for television and audio products, had been depressed during the year. They added that Trident retail had suffered a 50 per cent loss in a re-organisation of the division had begun which would be completed at the end of this year.

Commenting on the midway results the board say that the re-organisation is continuing as planned, and has resulted in a substantial turnover increase.

The television rental side continued to grow but some adjustment to tariffs will be needed to maintain reasonable profitability in the face of cost inflation.

Cash flow from operations during the period rose from £4.56m to £4.5m.

The interim dividend per 6p share is raised from 0.605p to 0.665p. Last year's total was 1.306p.

Telefusion is bearing the main weight of the retail reorganisation in the current year and the group has so far written off £1m of development costs. But the move to implement a fourfold rise in the net selling price of electronic stores and the introduction of white goods to the range, where margins may be initially lower but the after-sales servicing requirement is markedly lower than brown goods, is already paying off. Trident's retail turnover is up by 60 per cent at the halfway mark and accounts for most of the overall 28 per cent rise in pre-tax profits. TV rental operations are politically sensitive and in the absence of any tariff increase, the 11 per cent turnover increase from this source is solely derived from higher volume. The depreciation provision is broadly unchanged which suggests that level of new sets coming on stream is levelling off and the front end loaded charge, in the absence of any sharp upturn in consumer demand, should be dropping sharply next year. Manufacturing export profits may be held back by high sterling parties but Telefusion should be on the way back to past profit levels. The prospective yield at 41p is 5.3 per cent and the price/earnings ratio should be about 2:1.

Ault & Wiborg up £1m for record £3.1m

A SECOND HALF profit of £1.75m against £1.07m boosted taxable profits of Ault and Wiborg from £1.13m to a record £3.08m for 1978. Turnover was up by over £5m from £33.93m to £38.96m.

The directors say that sales and profits for the first two months of 1979 have been severely affected by the transport strike and bad weather. Taking this into account they are proposing a final dividend of 1.44p (1.3p) for the year making a 2.16p (1.95p) net per 25p share total.

St. Helena lifts interim

Interim dividend declarations from the Union Corporation's St. Helena mine: and the group's other Evander gold producers have easily met market expectations and in some cases proved considerably higher than the most optimistic forecasts.

In particular the 125 cents (73p) interim declared yesterday by St. Helena is well above market estimates, which were in the 80 to 110 cents range, and compares with 80 cents paid in March 1978 and last year's total of 180 cents.

The 80 cents (47p) interim declaration from Winkelhaak is at the top end of brokers' forecasts and shows a 2½ per cent increase over the 1978 interim of 53 cents; the 1978 final was 76 cents making a total of 129 cents.

Bracken, Kinnear and Leslie all show healthy increases over the 1978 interims and comfortably exceed expectations. Leslie's interim of 14 cents is double that paid in March last year, while Bracken's rises to 24 cents from 20 cents and Kinnear's to 32 cents from 23 cents in March 1978.

Progress by Audio Fidelity

REPORTING pre-tax profits up from £107,768 to £243,286 for the six months to October 31, 1978, the directors of Audio Fidelity say that the company's performance in 1977-78, the group reported pre-tax profits of £363,000.

The first half result follows the expectations last October of very satisfactory interim figures.

However, the directors now say that retail trading was slightly disappointing as a break-even result was not quite achieved. The following peak quarter produced reasonable turnover figures.

It is too early to assess the final effects of the disruptive weather conditions on branches in main cities during February. Manufacturing turnover has continued to increase at a notable rate.

comment

Commodities and Markets

Solid advance
Paribas
earnings

Paribas Staff
PARIBAS, THE French private financial empire, made improvements in profits at both group level and main banking operation.

parent company, Com-Financière de Paris et des Pays-Bas, showed a margin gain, with net earnings rising to FF192m (\$45m) from FF187m in 1977.

Proposed to pay the same dividend of FF13.30 on industrial and consolidated basis, against FF14.11m in 1977.

Wide-ranging interest of companies such as the French oil group, the French gas group, the French electric group, and the Thomson electrical communications and armaments concern.

Leu purchase
Leu has acquired a 5% share in the capital of Gutzwiller, Kurzer & Co, Geneva, writes from Zurich.

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French superstores chain
moves ahead sharply

BY DAVID WHITE IN PARIS

FRANCE'S BIG department store chains have spent the last few years struggling to get back on their feet but superstores have had a relatively easy time as the Carrefour group's successive profit gains bear out.

The Carrefour parent company saw a slightly slower growth in sales last year, 14 per cent increase to FF9.6bn (\$2.25bn), but managed to boost its net profit by more than a third to FF221m.

In the previous year sales had expanded by 18 per cent, taking into account the start-up period of a newly-acquired store at Compiègne, and net profits were FF164m.

The company is planning to pay a dividend of FF78, including tax benefit, compared with FF75 on capital increased at the end of last year to FF1.82bn from FF1.52bn.

The sharply higher net earnings came after an increased tax bill of FF136m, against FF117m, and special provisions of FF25m, covering amongst other items the demolition of a store in the low income Paris suburb of Cretell.

Operating profit was over 20 per cent up at FF414m, against FF340m.

The parent company owns the 45 hypermarkets in France bearing the Carrefour name. Consolidated turnover in France in 1977 was FF10.8bn, and

for the group world-wide FF12.5bn. The group received government approval last year for two large new ventures in Limoges and Nice.

Le Roy-Somert, French maker of electric motors, has acquired a 15 per cent stake in Solaris Corporation of the U.S. makers of photovoltaic cells for the conversion of light into electricity. Terms were not disclosed.

The French company has also increased its stake to 70 per cent from 50 per cent previously in France-Photon, a French-based unit set up last year to manufacture and market solar energy panels and accessories from Solaris. The U.S. company owns the remaining 30 per cent.

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Holmens Bruk profit rise
runs ahead of target

BY VICTOR KAYFETZ IN STOCKHOLM

HOLMENS BRUK, the Swedish pulp paper company which is Europe's largest newspaper manufacturer, has announced a 45.5 per cent rise in 1978 pre-tax profits, to SKr58.5m (\$13.5m) from SKr40.2m in 1977. This comfortably exceeds the target of SKr45.5m mentioned in its eight-month report. The proposed dividend is SKr7.50 per share, up from SKr7.

Turnover rose 24 per cent to SKr1.78bn (\$409m), with 68 per cent going for export, against 64 per cent in 1977. Paper production climbed by 17 per cent to 774,000 tonnes.

Operating profit before financial items and depreciation was SKr241.6m compared with SKr181.3m in 1977. Holmens recorded net financial costs of SKr88m in 1978 against SKr178m in 1977.

For 1977, Schering paid a dividend of DM 9 per share to which a payment of DM 5.06 was added

for a tax rebate. Schering produced pre-tax earnings of DM 153m in 1977 and declared a net profit of DM 60m (\$32.4m). Consolidated sales for 1978 rose by 4.4 per cent to DM2.22bn from DM2.133bn, with sales of the parent company up 5.2 per cent to DM1.352bn from DM1.283bn.

By contrast, the cocoa market was very quiet with nearby prices trading within a \$20 range. Following a \$17 rise yesterday the May position ended the week \$7.5 higher on balance at \$17.54 a tonne.

Dealers said there was little fundamental news to excite the market as the Ghana main crop purchasing season drew to its conclusion. In Accra yesterday the Ghana Cocoa Marketing Board said purchases in the 22nd week of the season totalled 763 tonnes against 1,366 tonnes the previous week. This brought the total for the season so far to 245,241 tonnes. The 1977/78 main crop totalled 263,214 tonnes.

The world sugar market also remained relatively quiet with the London daily raws price gaining \$1 to \$104 a tonne. After easing early in the week, sugar futures were briefly boosted when the Sudan bought 90,000 tonnes of whites at a tender officially intended to yield 50,000 tonnes.

LEAD—Very firm following reports of strong eastern European demand which pushed forward metal up from \$227 on the London market to \$230.50 on the late bid. Heavy buying of cash material saw the price rise to \$232.50 with the backwardation widening to around \$10. Turnover: 12,225 tonnes.

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Lancia to
co-operate
with Saab
Scania

By Rupert Cornwell in Rome and William Dullforce in Stockholm

LANCIA and Saab-Scania of Sweden are planning a co-operation programme which could possibly lead to the joint production of a new model within one or two years, according to the Turin-based car manufacturer.

Both companies have signed a letter of intent, due to be ratified by their respective boards by April 6 next, for the joint development of components for a new vehicle. No details have emerged of the project, but it is believed that the car is likely to be in the medium-range of the market, with a likely engine size of around 1,500 cc.

However, a spokesman at Saab's Nyköping headquarters said the agreement with Lancia did not necessarily entail the joint development and production of a new car. Nor was it to be seen as an alternative for Saab to the projected merger with Volvo, which broke down in 1977.

Saab has been the sales agent for Lancia cars in the Nordic area for some years and the new agreement extends this co-operation into the research and development field.

The agreement should be seen against the background of the heavy costs involved in developing new models, the spokesman said. It would enable Saab to manufacture components for both companies in longer series of up to 300,000 a year, thereby reducing production costs.

Scania confirmed that the proposed venture would enable costs to be contained, and should help maintain current employment levels at both companies. It also fits in with the known backing of Sig. Giovanni Agnelli, president of Fiat which has a controlling interest in Lancia, for greater co-ordination in the components field.

The deal between Lancia, which has staged increased exports since coming under the wing of Fiat, and Saab extends a 1977 pact between the two concerns by which the Swedish company would handle the distribution of Lancia cars, as well as those of Auto Bianchi (another Fiat group member) in Scandinavia.

AMERICAN METALS—NEW YORK, March 9. Precious metals closed steady on commission, House and speculative buying in very quiet trading. Copper closed sharply lower on commission, House and speculative selling. Sugar closed lower on speculative selling. Cocoa closed lower on speculative selling. Gold futures were slightly lower, House reports.

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Atlantic Richfield sheds
some Anaconda assets

BY DAVID LASCELLES IN NEW YORK

ATLANTIC Richfield (Arco), the large U.S. oil concern, has agreed to divest itself of some of the assets of Anaconda, the giant copper company it took over for \$700m in 1977, ending a long anti-trust battle with the Federal Trade Commission.

Both Arco and the FTC described the divestiture as "substantial" but analysts believe Arco has done well by confining the settlement to non-productive or high-cost copper mines. The company may even profit from the divestiture because of the sharp rise in the value of copper assets since the takeover.

According to the agreement, which must be approved by the Federal Trade Commission, Arco will sell off interests in copper deposits at Hedderston, Montana, and Anne Mason and

Bear, Nevada. None of these properties are producing. Arco will also dispose of its interest in Anamax, its joint venture with Anamax in Arizona. This will cost Anaconda about \$60,000 more than copper a year. However, the project is barely economic, and Anaconda has in the past indicated willingness to get out of it.

Thirdly, Anaconda will sell its 20 per cent stake in Inspiration Consolidated Copper, the New Jersey concern controlled by Anglo American of South Africa. Anaconda has been ordered \$33 for its 650,000 shares by Anglo American, but turned it down.

Under the terms of the settlement, Arco will be barred for five to 10 years from entering into joint ventures with big U.S. copper companies, and from buying operating copper mines, though it will be able to explore for copper. The duration of the ban depends on how long the divestitures take.

But the value of the settlement to Arco lies equally in the assets it has been allowed to keep. These include the 100,000-acre, near copper mines at Butte, Montana, a new low cost mine at Carr Fork, Utah, whose eventual production of 56,000 tons will just about offset Arco's loss from the termination of the Anamax venture.

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Bear, Nevada. None of these properties are producing. Arco will also dispose of its interest in Anamax, its joint venture with Anamax in Arizona. This will cost Anaconda about \$60,000 more than copper a year. However, the project is barely economic, and Anaconda has in the past indicated willingness to get out of it.

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COMMODITIES/Review of the week
Shortage fears boost lead

OUR COMMODITIES STAFF

PRICES rose to record on the London Metal Exchange this week. Cash lead rose first time and closed light \$31.5 up on the week \$5.5 a tonne. The increase was three months quotation rose modestly by \$3.5 to high of \$542.75.

Main influence behind rise was a squeeze on nearby lead available to the U.S. by buying by Communist countries, notably the Union, will deplete LME warehouse stocks further from present very low level.

Yesterday the major U.S. producer, Arco, declared majeure on lead sales due to strike affecting its Missouri refinery.

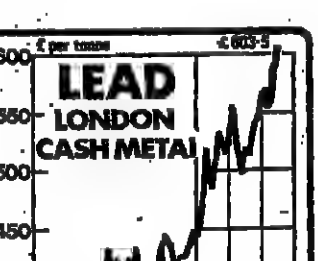
id resisted the downward in copper which followed Chinese withdrawal from sam. Copper prices rose last week, but cash wirebars down last week at \$971.5 a tonne, the undertone of market remains strong, urged yesterday by force of another substantial

editions of a fall in ware stocks also boosted tin. The cash price, gained \$10.5 to \$747 a tonne, moved to a premium over three months quotation. The root cause of this rise has

been support buying by the Central American producer group, trade sources said. However, a strong background feature was concern over the situation in Uganda where transport difficulties are threatening serious delays to shipments.

In addition, dealers pointed to the general tightness of Robusta coffee supplies following the withdrawal of the Ivory Coast as a seller.

By contrast, the cocoa market was very quiet with nearby prices trading within a \$20 range. Following a \$17 rise yesterday the May position ended the week \$7.5 higher on balance at \$17.54 a tonne.



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Dealers said there was little fundamental news to excite the market as the Ghana main crop purchasing season drew to its conclusion. In Accra yesterday the Ghana Cocoa Marketing Board said purchases in the 22nd week of the season totalled 763 tonnes against 1,366 tonnes the previous week. This brought the total for the season so far to 245,241 tonnes. The 1977/78 main crop totalled 263,214 tonnes.

The world sugar market also remained relatively quiet with the London daily raws price gaining \$1 to \$104 a tonne. After easing early in the week, sugar futures were briefly boosted when the Sudan bought 90,000 tonnes of whites at a tender officially intended to yield 50,000 tonnes.

LEAD—Very firm following reports of strong eastern European demand which pushed forward metal up from \$227 on the London market to \$230.50 on the late bid. Heavy buying of cash material saw the price rise to \$232.50 with the backwardation widening to around \$10. Turnover: 12,225 tonnes.

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MARKET REPORTS
BASE METALS

COPPER—Lower on the London Metal Exchange. After initially rising from \$230 to \$232 on the early pre-market reflecting forecasts of a further substantial fall in stocks forward metal fell away to 2975 under steep losses being posted by profit-taking. However, on the late bid, the price recovered to close at \$232.50, up from \$230.50. Turnover: 23,750 tonnes.

WIREBARS—The London Metal Exchange reported that in the morning cash wirebars rose to \$971.50, up from \$970.00. The three months quotation rose to \$971.50, up from \$970.00. The five months quotation rose to \$971.50, up from \$970.00. The seven months quotation rose to \$971.50, up from \$970.00. The nine months quotation rose to \$971.50, up from \$970.00. The 12 months quotation rose to \$971.50, up from \$970.00.

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LEAD—Very

CURRENCIES, MONEY and GOLD

SECURE ASSET PROTECT BOND TABLE

London Sumatra Plantations (10p) 4
Masiedle Invests. (10p) 82 7 3
Malaysia Rubber (10p) 111

	Deposits	Share	Sub'pn
1960	100	100	100
1961	100	100	100
1962	100	100	100
1963	100	100	100
1964	100	100	100
1965	100	100	100
1966	100	100	100
1967	100	100	100
1968	100	100	100
1969	100	100	100
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2053	100	100	100
2054	100	100	100
2055	100	100	100
2056	100	100	100
2057	100	100	100
2058	100	100	100
2059	100	100	100
2060	100	100	100
2061	100	100	100
2062	100	100	100
2063	100	100	1

as to about 3 per cent compared with 31 per cent previously. The

offerings were allotted. Next week a further £300m will be on offer

improvement in early trading at SwFr 1.6700 against
prompted some unwinding in SwFr 1.6670. The Japanese yen

Mar. 9 . 1941

2.0375 before improving to Morgan Guaranty figures at noon
\$2.0390. During the afternoon it in New York, the dollar's trade

may have received a little central bank support, and the pound

Mar. 9 1979	Certificate on deposit	Interbank deposits	Authority negotiable bonds	House Deposits
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7 days notice...	—	13-13
One month.....	12½ 12½	12½-12½
Two months.....	12½ 11½	12-12

<u>Company market</u>	<u>Treasury</u>	<u>Sink</u>	<u>Trade</u>		
<u>positions:</u>	<u>Bills †</u>	<u>Bills †</u>	<u>Bills †</u>		
<u>Closed March ...</u>				\$2118-118.4	\$2116.8-117.2
<u>Opening ...</u>				\$2259-2401½	\$2381½-2391¼

The following nominal rates were months 10.75-10.85 per cent; one year

1814	124.15	114.11	124.15	124.15	Afternoon	1241.00	1239.20
5-18	124g	114.11	124.15	124.15	fixing...	1118.157	1116.988
	12	114.11	114.11	124.15			

Gold Coins, domestically

ИЗ КОНВЕРТИ

New	36812.7012	36812.7012
Sovereigns	13312.5412	13312.5412
Old	57812.8012	57714.7912

Hudson Trust 6 $\frac{1}{2}$ pc Cr. 88-93

2-4 per cent; five years 12-14 per cent.	Kruggerland.	(121-122)	120-121½
rates for four-month bank bills 10½-11 per	New	62½-64½	62½-64½

cost of the equity in the convertible stock. This income, expressed in pence, is set

ation) 13½ per cent from March 1, 1979	\$20 Eagles.. \$313-318	\$514-519
cent. Clearing Bank Rates for lending 13 per	\$10 Eagles.. \$172½-177½	\$172-177
	\$5 Eagles.. \$120-125	\$119-124

of deposit: one month 10.20-10.30 per cent; three months 10.35-10.45 per cent; six

Statistics provided by

Division	Flat	Red.	Premium†	Income	Debt(-)◇
----------	------	------	----------	--------	----------

80.	7.4	7.9	- 1.1	-10 16 3	6.1	6.3	0.2	+ 1.3
-----	-----	-----	-------	----------	-----	-----	-----	-------

30	4.6	4.0	- 2.5	- 6	16-0	8.8	6.8	- 1.8	+ 0.7
32	2.1	12.1	11.5	12.1	27	5.2	2.2	-	-

11.3	11.7	24.3	20 to 38	26.4	35.0	12.1	-12.2
------	------	------	----------	------	------	------	-------

convertible * The water content adjustment is convertible expressed as

cent per annum and is present valued at 12 per cent per annum. * Income on £100 of cent per annum. ** This is income of the convertible less income of the underlying preference between the premium and income difference expressed as per cent—12.00.

on of relative dearthness.

LONDON STOCK EXCHANGE

Equities respond strongly to heavy investment demand
30-share leaps 15.1 to 515.4—Gilts volatile and mixed

Account Dealing Dates

Option
*First Declared Last Account
Dealings Dealings Day
Feb. 26 Mar. 8 Mar. 20
Mar. 12 Mar. 23 Mar. 31
Mar. 26 Apr. 5 Apr. 18
*New time: dealings may take
place from 9.30 am two business days
earlier.

Investment funds moved into the equity sections of stock markets yesterday on the largest scale yet during the rapid rise from last month's 1979 low. Professional profit-taking was easily absorbed and the demand created trading conditions the likes of which have not been experienced for a long time. Continental interest was most certainly a factor and it was suggested that U.S. investors were also becoming more aware of the UK's improved economic outlook because of North Sea oil.

Most of the demand, however, emanated from domestic institutions who, in the scramble to secure stock, were seemingly prepared to pay premium prices for sizeable lines of good-quality shares which they were otherwise unable to obtain because of acute stock shortages. Mid-morning trade became particularly hectic after earlier orders appeared to have been delayed pending developments in the Gilts market which was in the throes of digesting some of the recent heavy purchases. Initially, a flurry of selling of the funds resulted in a temporary take profits ahead of possible replacement top stock announcements at the official close brought losses ranging to 11 points. But a ragged recovery developed early in the afternoon and by 3.30 pm the index had regained all its fall in busy trading, while falls among the shorts had been reduced by 1 in places.

The rally here was aided by the further reduction in Treasury Bill rates this week and by the latest Central Government Borrowing Requirement figure. Soon after 3.30 pm the funds were actually being quoted higher on the day, but they finally reverted to overnight list levels. The earlier recovery from foreign and other profit-taking continued to weigh, however, on the shorter maturities which closed with losses ranging from only 1 to a full point.

In direct contrast, the equity sections ended in an amazing show of strength and the FT 30-share index, 7.3 up at 515.4, recorded a sharp final gain of 15.1 to 515.4 for its biggest single day since since September 27, 1977. The week's advance was a mighty 30.8 to take the gain on the fortnightly Account to 48.4. Meanwhile, the FT-Actuaries All-share index surged

on to another best-ever level of 256.23, up 2.9 per cent. Institutional demand for investment currency needed to purchase U.S. securities took the premium higher to 23 per cent, but the interest in funds came back aided by arbitrage selling and the close was only 1 higher on balance at 804 per cent. Yesterday's SE conversion factor was 0.7042 (0.7114).

For the second day in succession the Trades and Securities Board attained a record number of contracts as the number of deals completed brunched the 3,000 mark for the first time at 3,177. Most popular stocks were Consolidated Goldfields and Grand Metropolitan which recorded 389 and 369 respectively.

Midland please

Midland Bank yesterday concluded what has proved to be an impressive dividend season for the bank with a rise of 30 to 410p. The share closed 6 higher at 408p. Natwest added 10 to 355p, while Barclays, 432p, and Lloyds, 323p, rose 7 and 8 respectively. Bank of Scotland gained 11 to 335p. Elsewhere, Hill Samuel added 7 to 99p as did Kilmacdonnell to 112p; the latter's annual results are due next Tuesday. Still drawing strength from the sale of its Cannon Assurance subsidiary to a Canadian concern for £9.6m cash, Keyser Ullmann advanced 6 more to 60p.

Gains were numerous throughout the afternoon with Royals leading the way with a rise of 30 to 413p. Sun Alliance put on 14 to 560p and Hambro Life rose 13 to 445p. Another good demand took Breweries ahead over a broad front. Guinness were outstanding in the early morning with a rise of 10 to 187p, and among secondary issues, Morland, 102p, and Vaux, 150p, improved 5 and 6 respectively. Elsewhere, Distillers advanced 11 to 249p and Invergordon a like amount to 184p.

Investing issues took already impressive gains a stage further in late dealings as trade became virtually one-way. Incessant demand lifted Taylor Woodrow 24 to 380p and Tarmac 16 to 189p. Blue Circle finished 8 up at 255p and London Brick closed 4 higher at 781p. Pitted against the buoyant trend, William Mowat were notable for a fall of 5 to 48p, after 43p; Harvard Securities has recently acquired a shareholding in the company. Electricals established further numerous and substantial gains after another busy trade. Still assisted by the good preliminary



figures, Kodak advanced 22 more to 231p. Ferranti moved up 24 to 412p, while rises of around 20p were also recorded in AS Electronic, 208p, and Farwell, 500p. Other recent high-fliers to make headway included Telephone Rentals, 9 to the good at 183p, and United Scientific, 10 higher at 294p. On the other hand, disappointing trading statements left G. H. Scholes 19 lower at 291p and RSR 5 off at 74p.

Persistent demand which continued into the after-hours trading left the Engineering

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FINANCIAL TIMES STOCK INDICES

	March 9	March 8	March 7	March 6	March 5	March 4	Year Ago
Government Secs.	73.00	73.10	71.80	71.15	71.57	71.40	75.98
Fixed Interest	73.00	73.05	72.01	71.67	72.28	71.12	77.86
Industrial	515.4	500.3	496.9	486.3	484.6	484.6	489.0
Gold Mines	163.9	161.7	160.0	159.0	161.6	160.3	167.8
Gold Mines (Ex-5 pm)	115.4	115.0	114.0	113.4	113.0	112.4	112.9
Ord. Div. Yield	5.44	5.61	5.66	5.78	5.79	5.81	5.91
Earnings, Yld % (incl. Div.)	14.10	14.54	14.68	15.13	15.13	15.19	17.37
P/E Ratio (incl. Div.)	9.23	8.98	8.86	8.97	8.97	8.85	8.07
Dealings marked	7,303	7,300	6,787	6,453	6,734	5,889	5,401
Equity turnover £m.	150.00	156.28	177.33	133.68	110.65	100.05	100.05
Equity bargains total	23,715	27,872	21,548	20,767	19,159	16,597	16,597

10 am 500.2 11 am 501.8 Noon 505.9 1 pm 507.7
on 507.6 3 pm 507.5
Latest index 71.248 8025.
*N=15.52

Based 100 Govt Secs. 15/10/72. Fixed Incl. 15/10/72. Industrial Ind. 1/7/73. Gold Mines 12/7/75. Ex-5 pm dividend started June 1972. SE Activity July-Dec 1942.

HIGHS AND LOWS

	1978/9	Since Completion	March 9	March 8
Govt Secs.	73.00	64.84	197.4	49.18
Fixed Int.	73.00	61.87	197.4	49.18
Industrial	515.4	41.77	197.4	49.18
Gold Mines	163.9	53.5	197.4	49.18
Gold Mines (Ex-5 pm)	115.4	133.3	197.4	49.18

S.E. ACTIVITY

	March 9	March 8
Govt Secs.	125.8	121.1
Fixed Int.	125.8	121.1
Industrial	125.8	121.1
Gold Mines	125.8	121.1
Gold Mines (Ex-5 pm)	125.8	121.1

NEW HIGHS AND LOWS FOR 1978/9

	March 9	March 8
Govt Secs.	125.8	121.1
Fixed Int.	125.8	121.1
Industrial	125.8	121.1
Gold Mines	125.8	121.1
Gold Mines (Ex-5 pm)	125.8	121.1

NEW LOWS (4)

	March 9	March 8
Govt Secs.	125.8	121.1
Fixed Int.	125.8	121.1
Industrial	125.8	121.1
Gold Mines	125.8	121.1
Gold Mines (Ex-5 pm)	125.8	121.1

OPTIONS

	March 9	March 8
Govt Secs.	125.8	121.1
Fixed Int.	125.8	121.1
Industrial	125.8	121.1
Gold Mines	125.8	121.1
Gold Mines (Ex-5 pm)	125.8	121.1

RISES AND FALLS

	Yesterday	On the week
Govt Secs.	125.8	121.1
Fixed Int.	125.8	121.1
Industrial	125.8	121.1
Gold Mines	125.8	121.1
Gold Mines (Ex-5 pm)	125.8	121.1

LONDON TRADED OPTIONS

	April			July			Oct.		
Option	Ex'rs	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close	
BP	850	268	5	278	—	294	—	1108p	
BP	900	218	11	236	—	244	—	—	
BP	1000	118	43	142	1	168	—	—	
BP	1050	37	4	48	—	118	—	—	
BP	1100	34	70	74	2	98	—	—	
Com. Union	440	30	11	180	14	38	—	168p	
Com. Union	490	30	11	180	14	38	—	—	
Cons Gold	180	37	18	42	30	48	—	210p	
Cons Gold	300	18	61	27	12	38	—	—	
Cons Gold	350	71	20	80	—	90	7	—	
Courtauld	100	16	9	18	—	30	1	114p	
Courtauld	110	8	16	11	50	18	6	—	
Courtauld	120	8	70	8	8	20	—	—	
Courtauld	130	1	—	4	32	8	—	—	
GEC	300	88	—	93	5	100	—	371p	
GEC	300	88	7	86	29	76	—	—	
GEC	350	27	7	28	10	28	—	—	
GEC	390	8	286	26	20	28	—	—	
Grand Met.	100	43	10	48	—	47	—	141p	
Grand Met.	110	11	11	11	—	11	—	—	
Grand Met.	120	33 1/2	16	27	4	39 1/2	1	—	
Grand Met.	130	14	—	18	72	28	9	—	
Grand Met.	140	8	148	8	—	18 1/2	—	—	
ICI	420	77	—	89	—	94	5	401p	
ICI	460	49	6	61	—	66	—	—	
ICI	490	19	27	27	—	28	2	—	
ICI	492	5 1/2	26	18 1/2	20	23	—	—	
Land Secs	180	113	21	—	—	—	—	287p	
Land Secs	190	10	2	—	—	—	—	—	
Land Secs	220	73	28	76	—	—	—	—	
Land Secs	240	53	10	87	—	86	—	—	
Land Secs	260	53	17	—	—	—	—	—	
Land Secs	280	15 1/2	27	26	4	24	13	—	
Land Secs	300	3 1/2	—	19	6	22	—	—	
Marika & Sp	70	70	—	38	—	—	—	101p	
Marika & Sp	80	24	22	26	—	28	1	—	
Marika & Sp	90	18	51	17	21	18	2	—	
Marika & Sp	100	6 1/2	17	10 1/2	—	—	—	—	
Shell	550	150	38	168	—	170	—	66 1/2p	
Shell	550	100	9	115	—	122 1/2	—	—	
Shell	550	55	8	60	—	66	—	—	
Shell	700	28	107	43	43	53	1	—	
Totals			1,997		688		80	—	
			May		August		November		
BOC Intl.	70	41 1/2	1	41 1/2	—	11	—	78p	
Boots	180	48	99	—	—	5	2	215p	
Boots	300	34	29	29	—	—	—	—	
Boots	220	11 1/2	59	17 1/2	—	18 1/2	—	—	
EWI	110	11	—	15	—	—	—	—	
EWI	140	4	15	8	—	12	—	114p	
EWI	160	11 1/2	34	—	—	—	—	—	
ImperialGP	90	13	44	13 1/2	23	17	26	100p	
ImperialGP	100	7	92	8 1/2	—	10 1/2	—	—	
RTZ	280	93	1	93	—	—	—	306p	
RTZ	280	93	1	93	—	—	—	—	
RTZ	280	38	9	46	—	58	—	—	
RTZ	300	24	16	28	—	36	—	—	
Totals			491		48		85	—	

OFFSHORE AND OVERSEAS FUNDS

[illegible]

P.O. Box 383, St. Helier, Jersey.	0534 1777	Phonics International
Sting.Bnd.Fd(h).....[61014 1019m].....	1240	PO Box 77, St. Peter Port, Guernsey
Butterfield Management Co. Ltd.		Inter-Dollar Fund.....[USE237 256].....
P.O. Box 155, Hamilton, Bermuda		Guest Fund (Jersey) Ltd.

[illegible]

FINANCE LAND—Continued[illegible]

Saturday March 10 1979

LET THE GIN BE
HIGH & DRY!
Really Dry Gin

MAN OF THE WEEK

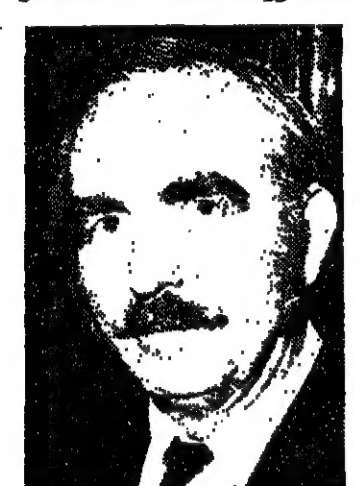
Worthy
of his
hire

BY CHRISTIAN TYLER

JOB SECURITY is one of the things that the standing commission on pay announced this week will take into account when comparing public servants' earnings with the private sector. But the members of the commission have little job security themselves.

When a Government decides to set up a "permanent" body to look at wages, it likes to start with people unscarred by previous inquiries or institutions. It was therefore something of a surprise—at least to many of those who have already trodden this path—when Professor Hugh Clegg of Warwick University was invited to accept the chairmanship.

His new job could last for years—or for just a few months. And until the Conservatives decide what they intend to do with the standing commission in the event of winning the general election, Professor Clegg will not know which.



Professor Hugh Clegg

be unacceptable to another Government because of his alleged union partiality during Mr. Edward Heath's government. His acceptance of the trade union nomination to the 1970 Court of Inquiry into council manual workers' pay was the reason given for his removal from the civil service arbitration tribunal the following year.

Professor Clegg's qualifications for the immediate task—the pay of manual workers in the councils (again), the health service and the universities—are nonetheless impressive. He was a member of the Donovan Royal Commission, still the benchmark of modern industrial relations theory. He was on the Devlin committee that looked at the ports, the court of inquiry into the 1968 seamen's strike, and a member of the Prices and Incomes Board. He is currently on the council of the Advisory, Conciliation and Arbitration Service, one body that looks likely to survive not one but two changes of administration.

His appointment also provides a clue to the direction in which the Government, and TUC officials, are hoping to steer the standing commission so that it becomes an integral part of the much-heralded new approach to pay determination.

He has always been, he says, an "incomes policy" man. "I have always thought that pay decisions should be taken more rationally than they are now. I have always thought that comparability is bound to be used in public sector pay negotiations and ought to be used more systematically." He admits that his standing commission has been created to get out of a temporary difficulty, but seems confident that its immediate task will be seen to justify its continuation.

Prof. Clegg and his team have to report on the public service worker by August 1. Therefore they are unlikely to be able to conduct what he calls more than a broad brush assessment to begin with. But if these and other groups see the virtue of regular reviews—as an adjunct to their own negotiations—then the commission would be able to get into more detail in future.

The relationship between the new body and the annual assessment of the economy to which both major political parties and both sides of industry are now more or less committed, has yet to be defined. That is a delicate political question which will depend as much on the tide of trade union thinking about "free collective bargaining" as on the Government in power next winter.

Married, with four children and five grandchildren, the 59-year-old professor says his hobbies are walking and beer. He prefers real ale to keg bitter but is appropriately judicious in his partiality. He is not, and never has been, a member of the Campaign for Real Ale.

Norway will open up
North to oil search

BY FAY GJETER IN OSLO

NORWAY'S Government yesterday asked its Parliament to give the go-ahead for oil and gas exploration off the northern and central coasts, starting next summer. Now drilling has not been allowed north of the 62nd Parallel.

In a White Paper the Government says a year will be needed from the time Parliament gives its approval to make the necessary preparations for a start to drilling.

Initially, drilling north of the Parallel will be allowed only in the summer, so if activity is to start in summer 1980 the proposals must be debated and approved before this year's summer recess.

The White Paper says Statoil, the Norwegian State oil company, will be given a "dominating role" in northern and central waters, with at least 50 per cent of all concessions.

Operator responsibility will be given to Statoil and the two other Norwegian oil companies,

Norsk Hydro and Saga, as far as their capacity stretches, in a drive to "Norwegianise" offshore activities.

Foreign companies will be allowed stakes in northern and central blocks, and may be offered operator status if funds are so numerous that their help is needed.

Fish fund

A feature of the White Paper is its proposal to create a special "oil fund" of Nkr 35m (£2.5m) annually, to compensate fishermen for inconvenience they may suffer, including loss of some fishing grounds, when the offshore industry moves into these waters.

In the past fishermen have been highly sceptical about admitting the offshore industry to northern waters, where some of Norway's richest fishing grounds are.

Mr. Gjeter said the Govern-

ment envisaged a very cautious start north of the Parallel. Drilling would begin simultaneously off West Finnmark, using two rigs, and off central Norway, using one.

The extra rig off Finnmark was needed on standby, in case of a blow-out. Because of the distance from the North Sea, where most available rigs were, it would take too long, five to seven days, to bring one up in the event of an accident.

The concessions to be offered off northern and central Norway will include clauses allowing the Government to postpone development of funds, and to regulate the pace of depletion.

Initially 20 blocks will be offered off the counties of Tromsø and West Finnmark, but talks with the oil companies and fishermen's organisations determine which of these will be allocated in the first instance.

Off central Norway six blocks will be offered and allocated north-west of Halten Bank.

SNP threatens March 29
vote of no confidence

BY PHILIP RAWSTORNE

SCOTTISH NATIONALISTS yesterday threatened to force a Commons vote of no confidence against the Government before the end of the month.

Mr. George Reid, MP for Strathclyde East and Glasgow, visiting Cardiff for talks with Welsh Nationalists, said the SNP would take the offensive for an early election if the Government did not give a firm commitment soon to go ahead with devolution for Scotland.

Mr. James Callaghan might try to play for time, "but his time is running out," Mr. Reid declared.

The SNP plans to challenge the Government's survival on March 29—the date of the

Liverpool Edge Hill by-election. The party claims it is due to be given a half day in the Commons on that date for a debate of its own choice, but Conservative leaders, who control the time for Opposition party debates, indicated that no decision had been reached on the SNP's allocation.

Without its own half-day debate, the SNP would have little chance of forcing any vote that would endanger the Government.

Mrs. Margaret Thatcher, who yesterday began a two-day campaign in Cornwall Liberal constituencies, shows little enthusiasm for following any Nationalist initiative in the Commons. The Conservatives do not intend to launch any attempt to bring down the

Government until they are certain of its success.

Nationalist and Liberal threats to the Government were yesterday dismissed as "sabre rattling" by Mr. Teddy Taylor, Conservative spokesman on Scotland. He said in East Kilbride that both parties were concerned with little else than keeping the Government in power because they faced disaster at an early election.

The Conservatives are aware also that the Government can count on Ulster Unionist support at least until legislation increasing the number of Northern Ireland seats at Westminster reaches the statute book, which is unlikely to be before the end of the month.

Fairbairn probes 'discrepancy'

BY JOHN MOORE

FAIRBAIRN LAWSON, the engineering group, has discovered serious discrepancies in the management accounts of a major subsidiary, Greenbat.

The group warned yesterday that the discrepancies will have a significant adverse effect on its results for the year ended December 31, 1978, and the dividend policy of Fairbairn is to be re-examined. The group had hoped to pay a final dividend of 3.08p net per share.

On the Stock Exchange, Fairbairn's shares fell 19½p to 40p, valuing the group at £4.6m.

The Greenbat division of Fairbairn is the largest engineering division in the group. It contributes a half of the total turnover which in the past financial year was £18.4m. Taxable profits were £1.5m.

Mr. A. H. Miller, managing director of Greenbat, relinquished his post last October and is now working on corporate

development at Fairbairn's head office.

Mr. Noel de Monte, Fairbairn Lawson's managing director, said yesterday that there had been "a real breakdown in financial reporting."

Fairbairn's auditors, Price Waterhouse, have been investigating the position for the last week, and Fairbairn is hoping to make a full statement to shareholders in April.

Continued from Page 1
Lotteries

of Public Prosecutions who "out of hand decided that the scheme was a contravention of the law," said Lord Denning.

The Director insisted on hauling Imperial and their officers before the criminal courts as if they were common tricksters deliberately breaking the lottery laws," he added.

Sums were taken out against Imperial Tobacco and four company directors and employees in criminal proceedings which were due to start in Nottingham later this month. It was not clear last night whether these proceedings would now go ahead following the Appeal Court's judgment.

Upset Lord Denning said that Imperial had been upset by the Director's action since they were "very responsible people, acting on the best legal advice that it was lawful."

Re added: "They were doing something which no fair-minded person would consider objectionable or reprehensible in the least. Something which the Royal Commission on Gambling had, in July, 1978, said was harmless and recommended should be lawful."

Imperial, acting "very honourably and wisely," had discontinued the campaign immediately and asked the High Court to rule that the scheme was lawful. The High Court said it was unlawful because 0.3 per cent of the cost of the cigarettes was accounted for by the provision.

In declaring the Imperial "spend" scheme lawful, Lord Denning described the promotion as "a harmless and entertaining piece of advertising, entirely free to those who choose to participate in it."

The price of the cigarettes was not "loaded" in any way nor was there an entry charge. The costs of the case in the High Court and the Court of Appeal were awarded against the Attorney General.

Midland sets aside
'leasing tax' cash

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MIDLAND BANK has set aside £112m in its latest accounts because possible tax changes over the next three years may lead to tax drawbacks on its leasing activities.

The move contrasts significantly with the judgment of the other three main clearing banks, Lloyds, the first to report 1978 results, made no provision for possible deferred tax relating to its leasing business. This was justified on the grounds that its leasing finance was concerned with financing heavy capital equipment, as opposed to cars. Barclays, the next to report, made provision for possible tax liabilities on car leasing—as did National Westminster—because of concern about possible tax changes.

Most of the leasing done by Midland is similar to that of

Lloyds. Yet Midland takes the view in its account that it may eventually have to repay a substantial amount of received tax allowances.

Mr. Stuart Graham, one of Midland's two chief general managers, said yesterday that the bank thought it would be in the best interests of shareholders to be prudent about leasing. "Something might happen. There might be a change in the law. We simply do not know," he declared.

Midland's attitude to leasing does not necessarily mean that the bank is expecting tax changes in the budget. Under the accounting rules for tax it is required to take into account events in the foreseeable future, generally understood as the next three years.

Company results, Page 20

Continued from Page 1

Saudi Arabia angry

the U.S. Embassy had been informed of the new proposals made to Mr. Begin when he visited Washington. That in itself is cause for deep anger in the Saudi Royal power centre which effectively constitutes the Government.

Such is Mr. Carter's evident determination to conclude an Egyptian-Israeli treaty that it is considered improbable that he will come to Saudi Arabia. But if he does he will be left under no illusions about Saudi Arabia's refusal to join in the "peace process" based on the Camp David accords.

From the start Saudi Arabia made clear her opposition to them. In line with the decisions reached by the Baghdad Summit last November, Saudi Arabia is committed to joining the majority of Arab States in imposing sanctions on Egypt if she signs a bilateral agreement.

Saudi Arabia is in a dilemma because of her vested interest in the stability of Mr. Sadat's conservative regime in Egypt, and dependence on the U.S. in the face of Soviet-backed Communist encroachment, but will not compromise on the question of a bilateral settlement.

Barre
attacks
French
Left

By Terry Dodsforth in Paris

M. RAYMOND BARRE, the French Prime Minister, accused left-wing elements yesterday of using the crisis in the steel industry to orchestrate opposition to Government policy, particularly on Europe.

M. Barre's remarks follow the increasingly violent demonstrations against redundancies in the industry, which led to bloody clashes between steel workers and police at Denain, northern France, earlier this week.

He said that the violence seemed to be more and more "organised and premeditated" and to have little connection with the questions of unemployment or the steel industry.

His comments seem to have been directed mainly at the French Communist Party, which is implacably opposed to European union, and the Communist-led CGT trade union.

Although making these accusations in a magazine interview, M. Barre was careful to stress his sympathy with the anxieties of the steel working families most affected by the Government's reorganisation plans. This approach is in line with the more conciliatory attitude the Government has taken toward the steel workers in recent weeks to cushion the loss of about 23,000 jobs in the industry.

Producer
raises
price
of nickel

By John Edwards, Commodities Editor

A RISE of about 10 per cent in the world price of nickel was announced yesterday by Societe Le Nickel, one of the leading producers.

Grade one ferro nickel increases from \$2.03 to \$2.29 a pound and electrolytic nickel for plating from \$2.10 to \$2.30. The company said the rise reflected strong demand for ferro nickel resulting from increased production of stainless steel and sharply higher steel scrap prices.

Last month Inco resumed publicly quoting prices after a long period of "confidential" pricing because of the very competitive conditions in the market. A prolonged strike at Inco's main producing mines at Sudbury, Ontario, and better demand for stainless steel, have helped substantially to reduce a huge surplus.

Weather

UK TODAY

RAIN in most places. Mainly dry in Eastern areas at first but rain will spread from the West later. Max. 9C (48F).

London, S.E. Cent. S. England, Midlands, N.W., Isle of Man, Channel Isles.

Period of rain, moderate at times. Wales, Ulster, S.W. England. Persistent rain, becoming showery later.

E. England. Dry at first. Rain later. Mainly dry at first. Rain later. Snow in Southern districts.

Outlook: Bright periods with occasional showers. Snow in the north.

WORLDWIDE

	Y'day	Today	Y'day	Today
	°C	°F	°C	°F
Algeria	17	63	18	64
Algiers	17	63	18	64
Amman	17	63	18	64
Athens	17	63	18	64
Bahrein	28	82	27	81
Barcelona	15	59	16	61
Bombay	28	82	27	81
Buenos Aires	13	55	14	57
Calcutta	28	82	27	81
Cairo	28	82	27	81
Canton	17	63	18	64
Cebu	28	82	27	81
Colon	28	82	27	81
Hankow	17	63	18	64
Hong Kong	28	82	27	81
Kobe	17	63	18	64
London	17	63	18	64
Lyons	17	63	18	64
Manila	28	82	27	81
Medan	28	82	27	81
Meppen	17	63	18	64
Moscow	17	63	18	64
Munich	17	63	18	64
Nairobi	28	82	27	81
Naples	17	63	18	64
Nassau	28	82	27	81
Nice	17	63	18	64
Osaka	17	63	18	64
Paris	17	63	18	64
Perth	17	63	18	64
Port of Spain	28	82	27	81
Rangoon	28	82	27	81
Reykjavik	17	63	18	64
Rio de Janeiro	28	82	27	81
Singapore	28	82	27	81
Sourabaya	28	82	27	81
Sydney	28	82	27	81
Taipei	28	82	27	81
Tokyo	17	63	18	64
Toronto	17	63	18	64
Ulaanbaatar	17	63	18	64
Valencia	17	63	18	64
Vancouver	17	63	18	64
Warsaw	17	63	18	64
Zurich	17	63	18	64

C-Cloudy, F-Fair, S-Sunny, B-B, R-Rain, S-Snowy, S-Sleet, S-Snow.

THE LEX COLUMN

Fuelling the rise
in share prices

Index rose 15.1 to 515.4

the latter's slow growth is beginning to catch the eye. In 1974 its profits were £30m higher than Midland's. Last year they were roughly £50m lower.

About a quarter of Midland's profits come from what can loosely be termed related banking services like insurance broking and hire purchase (against 10 per cent at Nat-West) and growth on this side of the business cushioned the squeeze on margins in the traditional banking side. In the short term Midland is increasing its market share but at the cost of much thinner margins—in particular on the international side. In addition, the sale of Bland Payne insurance broking could top well over £10m off next year's profits even after taking account of the profits from the reinvested proceeds.

BSR

Around 70 per cent of BSR's record changes sales are made in North and South America, and the company has suffered very badly from the weaker dollar. Group profits fell 34 per cent to £15.2m pre-tax in 1978 as trading margins in the annual reproduction division fell to 11.3 per cent from 18 per cent, with a worsening trend in the second half.

High U.S. interest rates have made matters worse, as wholesalers have been running down their stocks. Raw material cost increases are beginning to come through; BSR has just had a round of price rises and will be reluctant to push for another. Although the company desperately needs a stronger dollar, there is a danger that the very conditions under which the dollar might firm would mean an end to the buoyant consumer spending in the U.S. on which BSR relies.

Yesterday, against the background of a generally very strong equity market, the shares fell 4p to 75p, the lowest point since 1976 and a level at which they are discounting a further

deterioration this year. But the company seems to be keeping the volume of its sales up and although 1979 will be poor for BSR, it may be better placed to weather a depressed American economy than its competitors further up the market. The shares yield 12½ per cent, covered even after £5m extraordinary item for change losses. The balance sheet is very strong, and the raising of the dividend suggests a certain amount of confidence.

Mercantile Inv.

The investment trust sector had a thrill all of its own yesterday's exciting stock market. The terms of a special resolution at Mercantile Investment Trust's coming annual meeting (which were announced on Thursday night) set pulsing racing in a sector where the supply of shares has so often exceeded the demand.

The resolution, put up by the small shareholders, effectively calls on the Board to come in the next 12 months with a bid, or with proposals for the liquidation or reduction of what is one of the UK's largest investment trusts. No prizes for guessing why Mercantile is under the spotlight: it has a dismal long term performance and no big shareholders who might have a vested interest in blocking such a move. Institutions hold about three-fifths of the equity, and there are 14,000 shareholders.

But it could be an expensive and time consuming exercise to wind-up the trust. Nearly ten per cent of its investments are in unquoted stocks, and early repayment of some of its loans could be costly. The big gainers would not be the shareholders but the stockholders, who are included in the resolution and who have to be offered under the proposals what they would get in a winding-up. The early betting is that Mercantile is probably not going to change its shape—but at least its shape should be a lot more square than usual.

Top performing
U.K. trust-1978Schlesinger Special Situations
Trust—up 59.2% in 16 months

This trust was the top performing U.K. invested unit trust in 1978. (Source: Planned Savings), showing a rise of 59.2% compared with a rise of 2.8% in the F.T. Actuaries All-Share Index. Since the launch in November 1977 the unit price has risen 59.2% and the All-Share Index 18.4%.

Growth opportunity

"Special Situations" can often offer excellent investment opportunities, particularly in a rising stockmarket. The trust invests in the different types of "Special Situations" listed below, many of them smaller companies, and is aggressively managed for capital gain. The portfolio is currently invested in 35 stocks including:

Recovery stocks—Companies whose stockmarket rating has over-reacted to disappointing results or a difficult background.

High yield stocks—including situations where there is the potential for a re-rating.

Asset situations—where asset values are not properly reflected in share prices.

Bid situations—particularly stocks which for various reasons stand at a discount to the bid price.

The investments will be carefully selected after drawing on Schlesinger's own research and on the specialist research knowledge of many London and Regional stockbrokers.

To: Schlesinger Trust Managers Ltd., 140 South Street, Dorling, Surrey. Tel. 0418 555555. Telex 950555. Fax 0418 555555.

I wish to invest (minimum £500) in the Schlesinger Special Situations Trust at the price ruling on receipt of my cheque.

I wish to know more about the Schlesinger Special Situations Trust and see the latest PIMS report.

A cheque is enclosed, made payable to Midland Bank Limited.

Schlesinger's recommendation

Whilst this concentrated fund offers scope for superior capital performance, it is likely to be more volatile than the market. Investors should bear this in mind when deciding what proportion of their portfolio to invest in the trust.

Distributions will be made on 18th May and 18th November and the estimated gross yield on the current offer price of 39.8p is 1.86%. Any investment should be regarded as long-term.

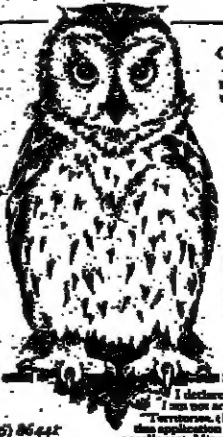
Remember that the price of units and the income from them may go down as well as up.

PIMS—financial planning advice

Minimum investment in the fund is £500. Investors of £1,500 or more receive Schlesinger's Personal Investment Management Service (PIMS), including portfolio reports and invitations to meetings.

Schlesinger PIMS also features a full advisory service on taxation and financial planning.

General Information To invest, use the form provided. Contract notes will be sent by return and certificates issued within 6 weeks. The Unit Price and yield are published daily in leading newspapers. To Sell units, simply return your certificate appropriately endorsed on the back—payment is normally made within 7 days of receipt of the resold certificate. Cheques: An initial charge of 5% is included in the offer price. A charge of an annual rate of 5% (plus VAT) of the value of the fund is deducted from gross income towards administrative expenses. Commission of 1% will be paid to recognised agents. Trustees: Midland Bank Trust Company (a subsidiary of Midland Bank plc), and Company Managers: Schlesinger Trust Managers Ltd., Registered Office, 10 Hanover Square, London W.1. Registered in England No. 023578. Members of the Unit Trust Association. This offer is not available to residents of the Republic of Ireland.

Schlesinger
Special Situations Trust

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